

Purchasing Week

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Vol. 3, No. 3

New York, N. Y., January 18, 1960

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\$6 A YEAR U.S.
AND CANADA \$25 A YEAR
FOREIGN

Metals' Dilemma: Raise Prices but Hold Markets

Foreign Steel Prices Hit Skids, Slowly: About \$2/Ton/Week

New York—Prices of foreign-made steel are drifting down at the rate of \$1 to \$2 per ton each week. That seems to be the consensus among import steel dealers.

Many of the dealers, polled by PURCHASING WEEK, go on to say that the downward drift is likely to continue until some time late in February. According to R. K. Parczewski, associate manager of Import-Export Industries, Inc., "Foreign steel prices are still a little too high . . . the longer you wait, the better your chances for making a good buy."

One representative of West European Mills said, "people won't start buying until prices come down another \$10 to \$12 a ton." The high price tags of foreign steel began their climb to the present peak on the heels of the tremendous growth of iron and steel imports during 1959 (see chart on page 3).

Informed estimates say that when the figures are totaled they will reach a record 4.35 million (Turn to page 3, column 1)

U.S. Says It's Got Proof Of Electrical Price-Fix

Philadelphia—Criminal indictments against some of the nation's largest electrical equipment manufacturers are expected to be returned shortly by the federal grand jury probing alleged price fixing in the industry.

"The findings will make headlines in the industry," a Justice Department source told PURCHASING WEEK last week. "There has never been anything like it before."

The source disclosed that the indictments, along with a presentation covering the grand jury's findings, are expected to be returned by mid-February to the (Turn to page 33, column 4)

New Round of Buying Probes Catches Fancy Of Capitol Investigators

Washington—A new trend in congressional investigations appears to be shaping up this year that will see congressmen probing into many aspects of the government's huge multi-billion dollar procurement programs.

One of 1959's big targets of investigation—that of prices and inflation—is being downgraded this year. Two of last year's big price investigators—Sens. Estes Kefauver (D., Tenn.) and Paul Douglas (D., Ill.)—are preparing to switch to probes of government buying practices.

Rep. Henry S. Reuss (D., Wis.), who is sponsoring a price pre-notification bill, put his finger on the reason why the inflation issue is not getting the big play again this year.

"President Eisenhower and the Administration are not talking about it as much this year," he told PURCHASING WEEK.

It was Eisenhower personally who made inflation such a major issue last year. But with the threat of any immediate inflationary spiral apparently eliminated for the time being, the Administration is spending more time on other issues.

Kefauver is currently engaged (Turn to page 33, column 3)



BROAD-BEAMED freighter "Santa Eliana" is first all-container ship in U.S. overseas trade. For other developments on containerization, see p. 34.

How 10 P.A.'s Scrounged for Steel They Needed—and How They Got It

They picked up their phones . . . they canvassed jobbers all over the nation . . . they traveled thousands of miles to check on-the-spot . . . they substituted . . . they bought at a premium . . . they borrowed . . .

That's a quick summary of the techniques that purchasing men across the country used to overcome steel shortages.

Even though the strike is just an ugly memory today, the techniques used by alert purchasing agents in time of stress are worth keeping on file for use the next time a supplier can't deliver the materials you want.

The five major strategies were:

1. Buying in advance.
2. Paying premium prices.
3. Substituting other materials.
4. Renting the material.
5. Cashing in on good vendor relations.

In their own words, here's how some of the nation's top purchasing men got over what seemed to be an insurmountable obstacle:

• "We needed cold rolled (Turn to page 6, column 3)

Profitable Tidbit

New York—Potato chip sales are sparking crisp sales for cellophane packaging.

Within the next decade, potato chips will be a billion dollar business boosting demand for cellophane, says the Packaging Division of Olin Mathieson.

Moral: The chemical, paper, and packaging people have developed a veritable supermarket of materials, ideas, and applications because of booms in unexpected areas—like potato chips.

This Week's

Purchasing Perspective

JAN. 18-24

State Buyers Don't Like Halt in Grading Service

Washington—State purchasing officials last week blasted Agricultural Secretary Benson's order to suspend government grading of lamb.

The order, issued Jan. 4, suspends grading for one month. It was issued because lamb producers could not agree on new grading standards.

Charles Sullivan, New Jersey State P.A. representing the National Association of State Purchasing Officials, declared that suspension of lamb grading would be "the first step in the weakening or the elimination of the federal grading service." Others who joined NASPO in voicing opposition included representatives of farm, hotel, restaurant, steamship, and food distributors.

PRICE QUOTATIONS—Manufacturers and their purchasing departments are chucking fears of a post-steel runaway price splurge. And despite the currently foggy outlook, some clear-cut price views are emerging among this hard-nosed, show-me bunch of buyers and sellers.

Here's how some leading company executives, mostly from the heavily-industrialized Pittsburgh area, now size up 1960 price and purchasing prospects for their own firms and business in general:

• Tom Lloyd, assistant to the president of Salem-Brosius (industrial furnaces, atomic hardware, water purifying equipment, and a variety of mill equipment) sees prices drifting up in a "sort of insidious advance." While he believes a steel price freeze will last until after election, what happens on the industrial front "will depend on what big companies, like Westinghouse and General Electric, and refractories manufacturers do." As for Salem-Brosius—"we're staying put on our own list prices unless we have to pay more for what we buy . . . on contract work generally, we bid as high as we think we can and still get the business."

• Donn Greenshields, president of Screw and Bolt Corp. of America contends fastener industry prices are from 5% to 7% lower now than a year ago but fastener firms are "going to try (Turn to page 33, column 1)

P/W PANORAMA

• **How Realistic—in Your Opinion—Are Vendors Prices?** Try this formula: Estimate the seller's manufacturing costs; divide by 100 minus profit percent; multiply the result by 100. Rheem Manufacturing Co. thinks that should give a reasonable target for reasons explained on p. 22.

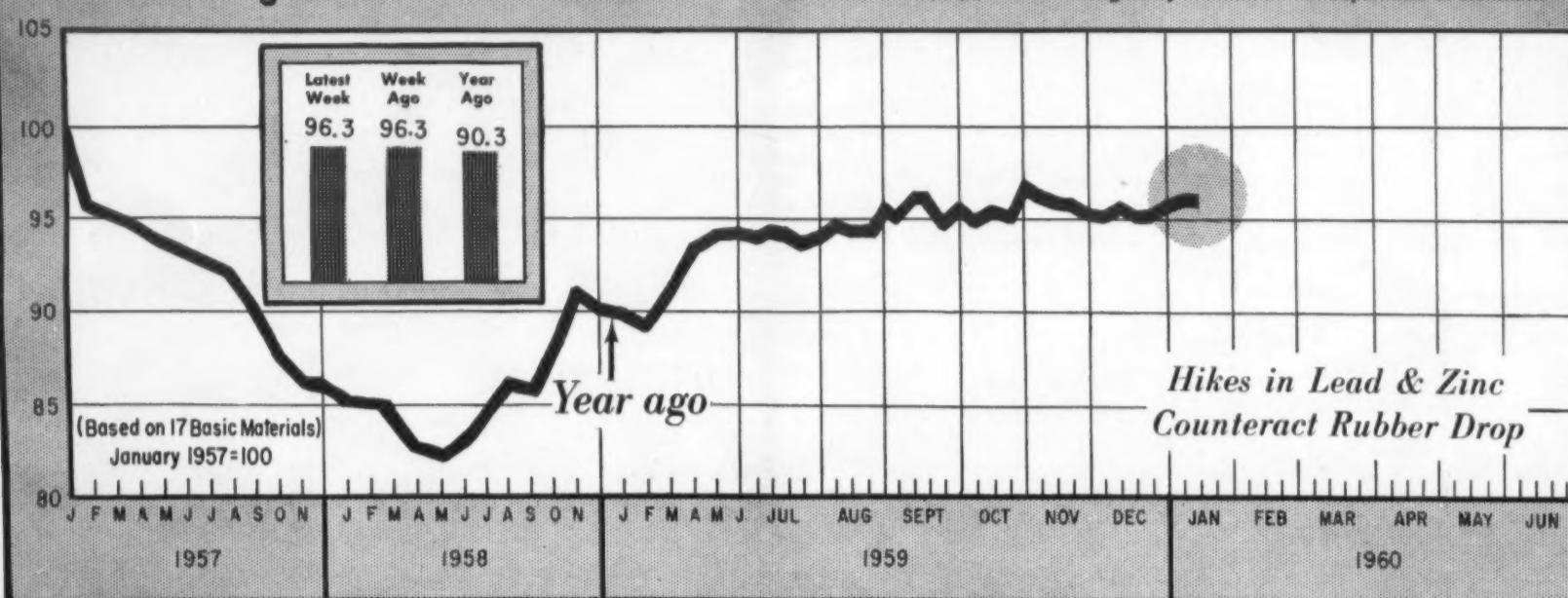
• **Consumers Feel Pretty Good About Their Economic Future**—in a sober sort of way—the latest probing by the Survey Center of the University of Michigan shows. They'll buy steadily, though not recklessly (and they vote thumbs-up for those compact cars). More on p. 4.

• **There Isn't Much Agreement Among P.A.'s** how to handle salesmen's calls. Some favor seeing the visitors at set times, others take 'em as they come. The "Purchasing Week Asks" feature on page 11 shows you why there's such a diversity of method.

• **Industry Is Wasting Millions on Pallets** because they aren't standardized. Pallet makers feel that disregard of ASA specifications keeps shipping and return costs unnecessarily high, cite the example of the gains made in Western Europe. Facts and tables appear on p. 28.

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

METALS

	Jan. 13	Jan. 6	Year Ago	% Yrly Change
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt.	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton	43.00	42.00	43.00	0
Steel scrap, #1 heavy, del. Cleve., gross ton	41.00	41.00	39.00	+ 5.1
Steel scrap, #1 heavy, del. Chicago, gross ton	40.00	40.00	42.00	- 4.8
Aluminum, pig, lb.	.26	.26	.247	+ 5.3
Secondary aluminum, #380 lb.	.250	.250	.218	+ 14.7
Copper, electrolytic, wire bars, refinery, lb.	.335	.336	.286	+ 17.1
Copper scrap, #2, smelters price, lb.	.26	.26	.233	+ 11.6
Lead, common, N.Y., lb.	.12	.12	.13	- 7.7
Nickel, electrolytic, producers, lb.	.74	.74	.74	0
Nickel, electrolytic, dealers, lb.	.74	.74	.74	0
Tin, Straits, N.Y., lb.	.995	.993	.989	+ .6
Zinc, Prime West, East St. Louis, lb.	.13	.118	.115	+ 13.0

FUELS†

	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, Gulf, bbl.	2.37	2.37	2.37	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl.	2.15	2.15	2.15	0
Heavy fuel, PS 400, Los Angeles, rack, bbl.	.05	.05	.055	- 9.1
Lp-Gas, Propane, Okla. tank cars, gal.	.113	.113	.115	- 1.7
Gasoline, 91 oct. reg., Chicago, tank car, gal.	.11	.11	.115	- 4.3
Gasoline, 84 oct. reg., Los Angeles, rack, gal.	.095	.095	.101	- 5.9
Kerosene, Gulf, Cargoes, gal.	.096	.096	.13	- 26.2

CHEMICALS

	90.50	90.50	90.50	0
Ammonia, anhydros, refrigeration, tanks, ton	.34	.34	.31	+ 9.7
Benzene, petroleum, tanks, Houston, gal.	4.80	4.80	4.80	0
Caustic soda, 76% solid, drums, carlots, cwt.	.198	.19	.205	- 3.4
Coconut, oil, inedible, crude, tanks, N.Y. lb.	.293	.293	.278	+ 5.4
Glycerine, synthetic, tanks, lb.	.176	.176	.16	+ 10.0
Linseed oil, raw, in drums, carlots, lb.	.165	.165	.205	- 19.5
Phthalic anhydride, tanks, lb.	.325	.325	.35	- 7.1
Polyethylene resin, high pressure molding, carlots, lb.	13.10	13.10	9.85	+ 33.0
Rosin, W.G. grade, carlots, fob N.Y. cwt.	.31	.31	.31	0
Shellac, T.N., N.Y. lb.	1.55	1.55	1.55	0
Soda ash, 58%, light, carlots, cwt.	23.50	23.50	23.50	0
Sulfur, crude, bulk, long ton	22.35	22.35	22.35	0
Sulfuric acid 66% commercial, tanks, ton	.059	.085	.076	- 22.3
Tallow, inedible, fancy, tank cars, N.Y. lb.	.255	.255	.255	0
Titanium dioxide, anatase, reg. carlots, lb.	9.25	9.25	9.00	+ 2.3

PAPER

	17.20	17.20	17.00	+ 1.2
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.	25.20	25.20	24.20	+ 4.1
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt.	100.00	100.00	100.00	0
Chipboard, del. N.Y., carlots, ton	9.25	9.25	9.00	+ 2.3
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	6.30	6.30	6.40	- 1.6
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	22.00	22.00	23.00	- 4.3
Old corrugated boxes, dealers, Chicago, ton	3.65	3.65	3.65	0

BUILDING MATERIALS‡

	4.18	4.18	4.29	- 2.6
Cement, Portland, bulk carlots, fob New Orleans, bbl.	126.00	126.00	119.00	+ 5.9
Cement, Portland, bulk carlots, fob N.Y., bbl.	139.00	139.00	131.00	+ 6.1
Southern pine, 2x4, 4x4, trucklots, fob N.Y., mftbm	117.00	118.00	109.00	+ 7.3
Douglas fir, 2x4, 4x4, carlots, fob Chicago, mftbm				
Douglas fir, 2x4, 4x4, carlots, fob Toronto, mftbm				

TEXTILES

	.106	.106	.105	+ 1.0
Burlap, 10 oz. 40", N.Y., yd.	.331	.331	.357	- 7.3
Cotton middling, 1", N.Y., lb.	.229	.230	.182	+ 25.8
Printcloth, 39", 80x80, N.Y., spot, yd.	.235	.235	.22	+ 6.8
Rayon twill 40%, 92x62, N.Y., yd.	1.59	1.585	1.445	+ 10.0
Wool tops, N.Y., lb.				

HIDES AND RUBBER

	.215	.215	.192	+ 12.0
Hides, cow, light native, packers, Chicago, lb.	.415	.432	.301	+ 37.9
Rubber, #1 std ribbed smoked sheets, N.Y., lb.				

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

JANUARY 18-24

Returns on the steel pact are beginning to come in.

You've already felt some of the repercussions particularly in prices and inventories.

But that's not the whole story. You've also got to assess the still nebulous longer-term aspects of the settlement. For next year they may be playing just as key a role as the current short-term factors are doing now.

Actually, both are important. Both must be considered in formulating any well-rounded purchasing policy for the next few years.

THREE IMMEDIATE EFFECTS are evident—only weeks after settlement.

1. **Inventory buying**—This is already on the rise as purchases are made to fill depleted shelves and to meet rising production schedules.

As the chart story on pages 18-19 indicates, hard goods stocks are expected to rise by over \$2 billion in the next 6 months. That's as sharp a rise as was racked up in the pre-strike buying spree of early 1959.

2. **Interest rates**—Current inventory accumulation is already putting added pressure on short-term interest rates. If continued, this pressure could push business loan charges up another 1/2% or so.

There's also an indirect tight-money effect operating. Consumers—with labor peace assured—are becoming more confident. And with more goods available this mood could mean a rise in consumer borrowing needs.

3. **Price boosts**—Increases in nonferrous metal tags can be traced directly back to resumption of steel production. It's already touched off a buying spree in zinc that pushed prices up as much as 3/4¢ per pound. Lead and copper suppliers also report a sharp pickup in orders.

Moreover, metals aren't alone in this firming price picture. Other sensitive commodities may be affected too—as pipelines are refilled and production and inventory needs take additional quantities of crude materials.

FOR THE LONGER PULL, it's a little harder to pinpoint the "steel" effects, particularly on prices. To get an inkling of what may lie ahead, you have to look at:

1. **Labor costs**—According to steel industry estimates, costs per hour of work are increasing about 3 1/4% per year. That's less than the recent settlements in aluminum (5.2%) and cans (4.5%).

Comparison with an earlier period gives further grounds for optimism. In 1958—when all-industry wages went up even more (4%)—prices rose only 1%.

2. **Competition**—This factor will also play an important role in determining where prices finally settle. The current experience in aluminum products is a case in point. Price increases vary all over the lot. Where competition is keen, boosts are being skipped entirely. In noncompetitive areas, however, full "pass throughs" are being posted.

And the same can be expected in steel. Inroads made by aluminum, copper, plastics and foreign sellers may well make suppliers and fabricators think twice before posting large across-the-board boosts.

3. **Productivity**—Finally you have to consider productivity trends. How fast output per man hour rises could well determine the extent of cost-price squeezes—and subsequent price boosts.

In steel, the outlook for above average boosts in productivity are good, for these reasons:

• The industry will be operating at close to capacity.

• Pressure is on the mills to trim all costs.

• A 76% boost in capital spending is bound to increase over-all efficiency.

Import Steel Due for \$1 to \$2 Drop Per Week

Dealers Predict a Slide Until Late February Followed by a Gradual Price Stabilization

(Continued from page 1) tons for the year—close to 6% of total domestic industry sales. About 75% came from the European Common Market countries and Japan.

This growth inevitably carried prices up with it. Some rises began cropping up before the steel strike, but the general surge—advancing foreign tags an average of 20%—took place during the strike period.

Here are the dollars/ton increases that current prices for some important imported steel items show over pre-strike levels:

Reinforcing bars, up \$19; **bar size angles**, up \$23; **structural angles**, up \$13; **I-beams**, up \$21; **channels**, up \$22; **sheets, cold rolled**, up \$60; **sheets, hot rolled**, up \$24; **barbed wire**, up \$38; **wire rods**, up \$15-\$18; **nails**, up \$12.

These increases have placed many items (formerly below American prices) at or above domestic levels. Hot rolled sheets are currently \$15/ton above American prices. Cold rolled sheets—the hottest demand item—are \$25 higher than domestic. Plate is up to \$10/ton higher; reinforcing bars and structural shapes sell at domestic levels.

Sheet prices aren't expected to return to pre-strike levels for at least six months.

Plate prices are beginning to soften, and there are reports that some quotes have been made at or below domestic levels. But delivery times trail orders by at least 90 days.

The same holds for reinforcing bars, structural shapes, and merchant steel (light angles, rounds, light channels, light I-beams). Some European mills are reported opening for bids on these items for 60 to 90 day delivery.

Here are a few developments that bear watching:

- Japanese stainless steel sheets and strip, and wire products, according to G. Ziff, a trader with Kinoshita and Co., "can be delivered on an average about 10% below domestic prices, and can be obtained about two months after order."

- Among other Japanese imports, oil line pipe can be obtained at 8-10% below American prices. Nails still command a 10% differential below domestic levels.

- Some distress sales are reported. Importers who overpurchased—Japanese plate on the West Coast, and European structural and merchant shapes, and flat rolled steel at Gulf and Atlantic ports—have shipments they are seeking to unload.

- Some savings in European steel may be found among the extras—those sizes for which premiums are added onto American base prices. Examples of these extras worth looking into are: angles, I-beams, channels.

Other items selling below American prices—such as Belgian and English standard pipe—cannot be delivered before 120 to 180 days.

Steel importers expect to do very little business during the first quarter. But, by March 1, prices should stabilize at a fairly high level until midyear because:

- Orders from the Great Lakes ports are expected to start coming in by the end of February so that deliveries can be made when the Seaway shipping season starts.

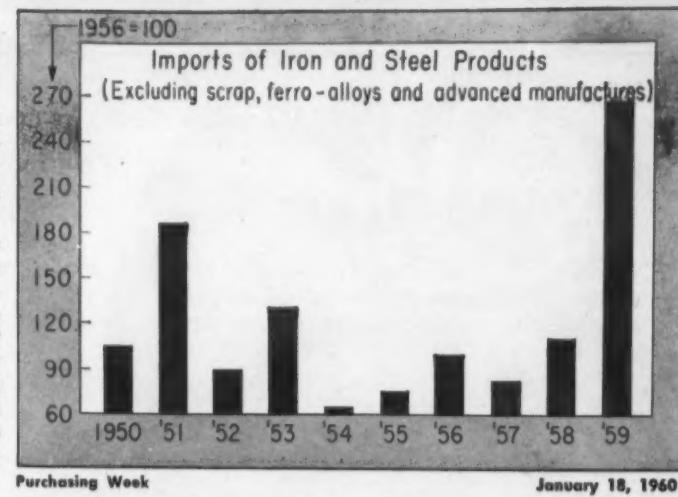
- World demand has slackened but is expected to pick up again soon.

- Foreign mills are in a comfortable position, being generally booked through the first quarter.

- It will be about six months

before domestic production can fulfill booming business requirements. Foreign mills feel they can help alleviate shortages in the meantime.

- Many importers anticipate that, while an increase in the basic price of steel may be deferred for some time, "hidden increases" will be effected shortly in such areas as new quantity breakdown formulas and mill fabrication work. This would make many imported steel items competitive at higher than pre-strike price levels.



January 18, 1960



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Washington Perspective

JAN. 18-24

New curbs on employment of retired military brass by defense contractors are proposed in a bill just introduced by Rep. Hebert (D., La.). Odds on the bill's passage are strongly favorable. Hebert calls the measure "the most important military legislation to be passed by this Congress."

Hebert's bill calls for a two-year ban on retired regular military brass "selling" to any military service, with criminal penalties provided for violations.

Under present rules, the ban applies only to sales to the officer's own former service. And in many cases, in the Navy particularly, the penalty is simply the withholding of government retirement pay.

Sales have been interpreted very narrowly under present rules. The ban is only on direct selling involving actual contract negotiations. Hebert wants to tighten up on this. His proposed definition of military sales:

"All activities which bring a contractor and his representatives into contact with officials of the Defense Department for the purpose of obtaining contracts from that department for the procurement of tangibles or intangibles in existence at the time or to be produced in the future; and the participants in such transactions are a part of that process."

In other words, the case of the ex-chief of naval operations, Adm. Fechteler—cited by Hebert—would be considered a violation of Hebert's new rules. Fechteler arranged for the presentation by General Electric of a proposal for a defense contract. Under present rules, such an "arrangement" is not considered direct salesmanship.

Expect more fuss than usual over Eisenhower's plans for defense spending. The Democrats are willing to give their utmost to make a dent in the Eisenhower record.

Eisenhower seems certain to be able to hold his military spending to \$41 billion—despite the \$4.2-billion budget surplus the President dangled in front of Congress and the voters.

But he's pulling some procurement programs up, trimming others back which has the effect of blunting his critics charges that he's not acute to changing needs.

He's practically abandoned plans to build a 2,000-mph B-70 bomber under development by North American Aviation.

He's upping procurement of ICBM's—approving the spending for at least 130 Atlas missiles (made by Convair) and at least 140 Titans (made by Martin).

He's authorized allocation of funds for 12 atomic-powered missile-firing Polaris submarines—which means a billion or more for such firms as General Dynamics, Lockheed, Westinghouse, General Electric, and others.

Independent tanker operators of American flag vessels are stepping up their push to get a requirement that 50% of imported oil be hauled in U. S. vessels. The Secretary of Commerce has hired a consultant to study the issue and make recommendations. But any recommendation is weeks off.

The Maritime Administration will start hearings in early February on charges that ocean shipping conferences have been violating antitrust laws in setting freight rates. The charge stems from congressional investigations in the matter. It is the same matter, too, that is currently being aired before two federal grand juries by the Department of Justice. Results from all sources delving into shipping practices will be months in coming—if at all.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,715	2,715*	2,111
Autos, units	161,907	112,113*	133,362
Trucks, units	28,294	17,551*	22,564
Crude runs, thous bbl, daily aver	8,396	8,369	8,245
Distillate fuel oil, thous bbl	13,821	14,129	14,532
Residual fuel oil, thous bbl	7,240	6,939	7,549
Gasoline, thous bbl	29,230	29,613	28,689
Petroleum refineries operating rate, %	86.4	86.1	85.5
Container board, tons	136,487	67,664	160,262
Boxboard, tons	84,241	70,857	89,265
Paper operating rate, %	83.9	62.8*	76.6
Lumber, thous of board ft	172,500	181,591	134,195
Bituminous coal, daily aver thous tons	1,465	1,370*	1,403
Electric power, million kilowatt hours	14,308	13,565	13,554
Eng const awards, mil \$ Eng News-Rec	415.6	231.4	301.6

* Revised

Survey Sees Consumers in Buying Mood but Worried Over Inflation

Ann Arbor, Mich.—Purchasing agents making 1960 plans in consumer hard goods lines may well have to consider the after-effects of the recent steel strike. According to a new survey just released by the Survey Research Center of the University of Michigan (see chart, below), the recent work stoppage has had a sobering effect on consumer buying attitudes.

Other factors contributing to uncertainty among consumers, the report points out, are the tight capital market, rising interest rates, and worry over inflation.

And, while the survey (taken in Oct.-Nov. 1959) indicated that post-strike sentiment would again loosen consumer purse strings, there are still no signs of a big buying spree in the near future.

The study, while injecting this note of caution, points out that consumer sentiment is still basically optimistic.

• **For the short run**—now that the steel strike has been settled, a major source of uneasiness among consumers has been removed. The survey sees a gradual rise in consumer optimism as memory of the steel controversy fades.

• **For the longer run**—long-range expectations are at least as optimistic as before the steel strike. The strike seems to have given rise to uneasiness only regarding the near future.

• **On saturation**—An overwhelming majority of consumers continue to have plans to buy specific new consumer goods some time in the future. Saturation of needs and desires does not appear imminent.

Nevertheless, the report said, consumer sentiment must improve considerably during the next few months if 1960 is to be a good year for consumer durables. For even aside from the strike, the recovery in sentiment from the 1958 recession has been slower than the recovery from the 1953-54 recession.

In 1954, the study points out, a sharp upsurge in optimism stimulated consumer demand. But in November 1959, despite rising income, spending plans for the next 12 months were below the high level of June 1959.

The chart above, which is based on the survey's Consumer Attitude Index, measures the rise and fall in consumer attitudes in two stages. Index values were calculated first for the period Oct. 15-Nov. 7 (during the strike), and second for the period Nov. 9-Dec. 3 (post-strike).

During the earlier period, attitudes were decidedly less optimistic than in June. From October to November both indexes turned up, but not sufficiently to attain the level of summer 1959.

Other highlights of the survey:

Personal Finances—Although aggregate personal income hit a record high in November, satisfaction with current personal financial developments was less widespread in November than in midsummer. However, despite attitudes toward past developments, most people are as optimistic about their personal financial future as they were last summer. A third of the people surveyed, for example, expected to be better off next November. Only one in twenty expected to be worse off.

Auto Buying—Plans to purchase automobiles in the next twelve months declined between June 1959 and October 1959, but went up in November following settlement of the steel strike.

Reactions to the new compact cars also have favorable implications for the automobile market.



British Firm Charges Abuse Of Differential in Buy American Act

Washington—Baldwin-Lima Hamilton Corp. and English Electric Ltd. last week put their dispute over a \$6 million contract for electric turbines to U.S. Comptroller General Joseph Campbell.

The hassle is over the use by domestic producers of foreign "sourcing"—subcontracting of work to foreign firms—as a way of meeting the increasing competition from foreign bidders.

The present controversy turns almost entirely on how costs are to be defined in determining whether a company should be regarded as a domestic concern eligible for a 6% differential under the Buy American Act. To qualify as domestic, at least 50% of a firm's work must be performed in the U.S.

Baldwin-Lima contends its bid for supplying hydroelectric turbines to Glen Canyon Dam in Arizona has met this criteria, and the Bureau of Reclamation should award it.

English Electric says that Baldwin-Lima is buying so much of its components for the turbines abroad, that the company no longer qualifies for the 6% differential.

The Bureau of Reclamation

has asked for a 45-day delay in making the Glen Canyon award, until Campbell can rule.

The Bureau's own specifications for determining Buy American qualification calls for deducting from the total bid price certain items before the foreign and domestic work is weighed.

These deductions are:

1. Transportation costs of any products, foreign or domestic, to the installation site from the bidder's U.S. plant.

2. Fabrication or processing costs at the bidder's U.S. plant of either foreign or domestic products.

3. Testing costs at U.S. plants and at the installation site.

4. Direct profits, overhead and commissions of the bidder, exclusive of similar foreign costs.

5. Installation costs at the site.

These deductions are the target at which English Electric's protest is aimed. Baldwin-Lima claims these items should total only \$620,000 in its bid (leaving \$3,306,519 for domestic and \$2,464,881 for foreign work). English Electric has indicated that Baldwin-Lima deductions should run at least \$1,560,000.

this decline is to be found in the increase in interest rates and the tight money situation.

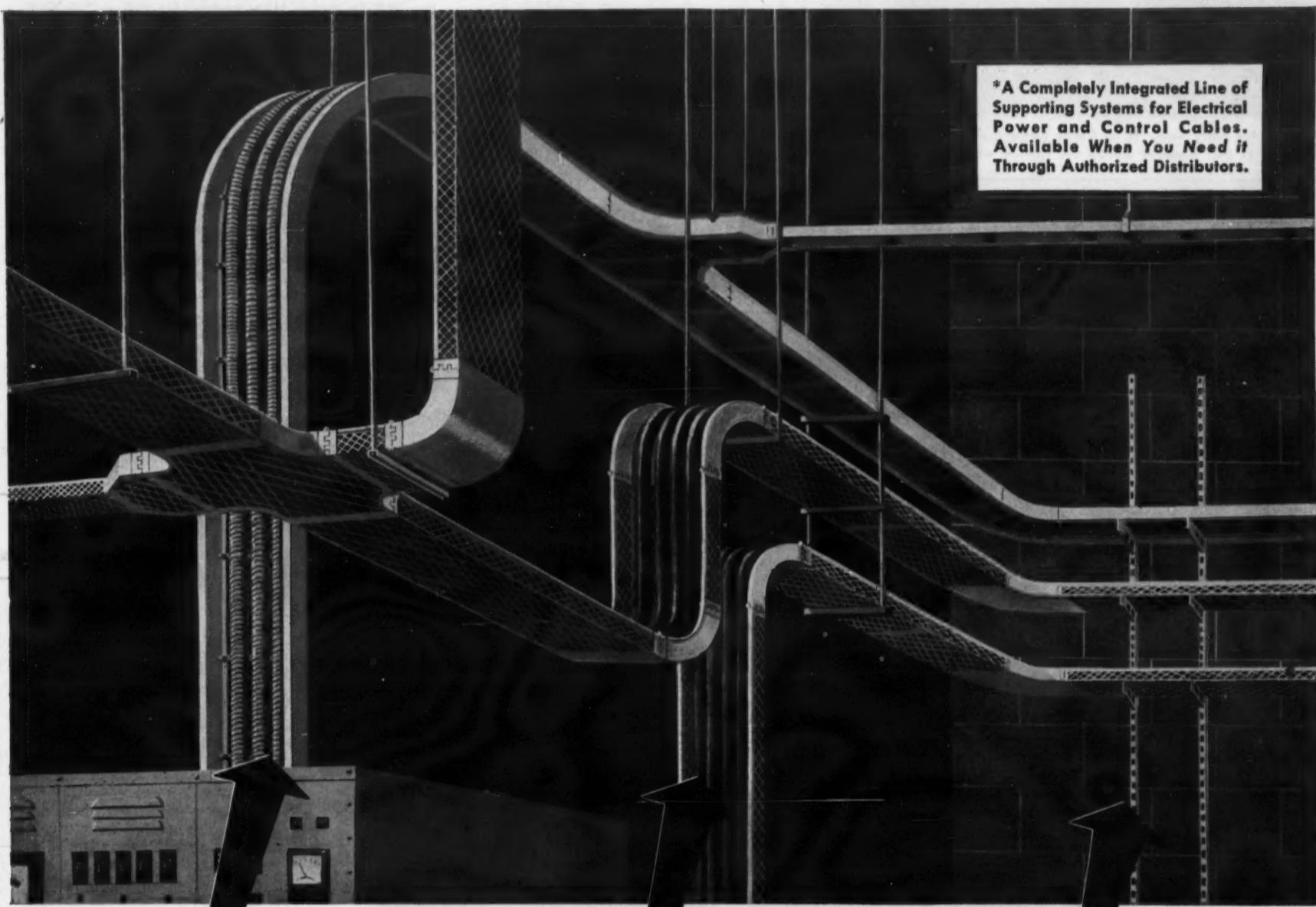
Installment Credit—The popularity of installment credit has increased during the last few years. More people now say that it is a good idea to buy things on the installment plan.

Prices—While perceptions of past price movements have not changed since June, expectations of future price advances have again spread. The opinion that prices will rise over the coming year is now nearly as common as it was during the early part of the Korean War.

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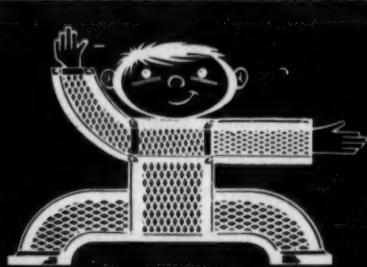
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WHOLESALERS**

What 10 Purchasing Agents Did



HE GOT AN early start. H. J. Christ (center), director of purchases for Gabriel Co., planned ahead for famine with his 6-man team.

(Continued from page 1) sheets and enameling iron," said G. T. Gustafson, Hotpoint Co.'s head steel buyer at Chicago headquarters. "We paid premium prices; our job was to keep the plants open. Sometimes we found companies willing to sell their own steel—companies willing to close their own production lines in order to sell steel at a profit. Most of it came from warehouses and brokers though, and we bought no foreign steel."

Gustafson and his crew of steel expeditors got crooks in their

arms making long distance phone calls (see photo) in the hunt. "We got tired of conversation, though," Gustafson added. "A broker or warehouse would say, 'sure we've got steel.' And we would ask to see it. When you asked to see the stuff in person, you knew whether or not they really had any."

Expeditors flew directly to the spot to see and buy. "As a matter of fact," Gustafson said, "some were logging as much time as airline pilots." One week Gustafson and his six men logged 10,000

miles traveling to locate steel. Each expeditor carried an identification letter from Hotpoint's accounting office; local banks honored the letter and advanced cash to the expeditor. Hotpoint's man then exchanged the money for bills of lading, once he was satisfied that the steel met specifications.

Heavy pre-strike inventory buying also was a part of Hotpoint's strategy. Orders for thousands of tons of steel went out to the mills for delivery at normal mill prices in July 1959. The 80-day Taft-Hartley cooling-off period was a big help, too. Gustafson arranged for 6,000 tons of ingots and slabs to be cold rolled into sheets as soon as the steelworkers returned to the mills. "Conversion costs were a premium," said Gustafson, "but it paid off in helping keep production going."

Planning and legwork brought results: Of the 6,000 Hotpoint Chicago employees, only 1,000 were laid off, and none of those for longer than two weeks.

• "I was a pessimist, now I'm a hero." That's the way Philip Steinberg, Assistant P.A. at Keystone Manufacturing Co., a Boston camera maker, put it. In April last year, Steinberg (in charge of steel purchases) and Israel Goldfine, Keystone's purchasing director, read everything they could about the possibility of a strike. Their conclusion, despite optimistic predictions: The strike was coming, and it was going to be a long one.

They voiced their pessimistic conclusion to Keystone's top management. The brass thought it over for a few hours, then called Steinberg into the president's office. He was told that the company, despite optimistic reports in some papers, had decided to put in a big inventory. It meant tying up thousands of dollars in a steel stockpile.

Steinberg and Goldfine immediately placed orders for enough steel to carry the firm through October. Republic Steel, Keystone's regular supplier, still not snowed under by strike-scare demand, said it could deliver.

"We put all of our eggs in one basket with Republic and let them know it," Steinberg says. "They took care of us." There were no premiums and no increase in the price of the steel. Keystone picked up enough steel from local fabricators to last until Republic was producing again.

Result? Steinberg reports that the competition was hurt during the strike. Not only other camera manufacturers, but "our neighbors in the area. They couldn't get steel and were forced into layoffs and cutbacks in production. We went right along at normal levels."

• "I know from experience that nearly every one orders extra steel inventory to be delivered just before a strike might begin. There's a big jam, and the orders aren't filled. This time, I figured the big orders would be for June delivery. I got my three months' supply in January, and then just added to it whenever possible. It's all a matter of being prepared."

That's how a St. Louis P.A. at an electrical equipment plant described his technique. He was able not only to keep steel mov-

NO STARTING PROBLEMS

with

WAGNER CAPACITOR-START MOTORS

Pack more power into less space...give long troublefree service...are easy to hook up

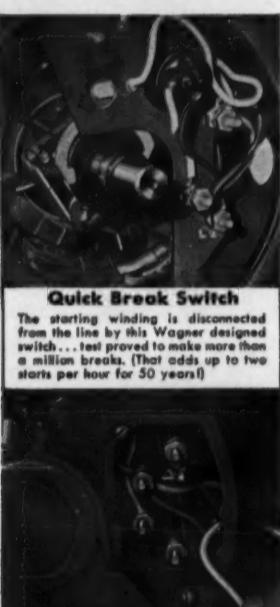
Here are general purpose single-phase motors that have high starting torque and high pull-in torque. When used in the proper application and supplied with voltage close to their rating, they'll give positive starts every time. Troublefree operation is assured... thanks to the positive action of the Wagner governor mechanism and long life quick-break switch.

Wagner Type RK Motors pack more power into less space. Small enough to fit in tight spots, their ruggedness is built-in... permits direct mounting. They are available in a range from $\frac{1}{6}$ through 5 horsepower, with sleeve or ball bearings, and with rigid bases or resilient mountings. And, sleeve bearing fhp models can be operated in any position.

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WH60-2



Quick Break Switch

The starting winding is disconnected from the line by this Wagner designed switch... test proved to make more than a million breaks. (That adds up to two starts per hour for 50 years!)



Quick Connect Terminals

Brass tabs on terminal studs permit quick, easy connection of leads... cut wiring time to speed assembly line production. Simply press the lead receptacle on to the stud—a positive connection is assured.



All-Angle Operation

The sleeve bearing design, in fractional hp ratings, has a positive lubrication system that permits operation in any position... can mean important savings in motor costs to manufacturers.

RESILIENT-MOUNT
 $\frac{1}{6}$ THRU 5 H.P.

RIGID BASE
 $\frac{1}{6}$ THRU 5 H.P.

To Overcome the Steel Famine

ing through his plant, but to ship some out to other company plants to help overcome a crisis.

• "The strike outlasted the three months' inventory we had scheduled, so I had to move into warehouses and the gray market for help. We did not buy any foreign steel—the prices were too silly: three times those going before the strike. "We bought a lot of steel blind by telephone," said another P.A.—this one at headquarters of a Midwest lighting equipment manufacturer.

Buying in the dark can be dangerous, though. This buyer learned to keep an eye out for shady vendors. He found it a prudent precaution to have the shipment weighed on a public certified scale. "The weight certificate settled a lot of arguments. On one occasion we ordered 30,000 lb and when it was unloaded, we had only 28,500 lb. With no weight certificate, we had a time trying to obtain a settlement."

The score? "We never ran out of steel to cause any layoffs. But being forced into the open market

to stock up so that we wouldn't be held up by a major shortage of components," Christ said.

Even the good inventory situation didn't prevent spot shortages from cropping up, Christ noted. When that happened his purchasing team started working overtime on substitute materials.

Instead of using special mill sections, they began manufacturing their own shapes on automatic screw machines from tubing or bar stock (see photo), milling flats and shearing sheet steel to size in place of normal sec-

tions the company had been using. Many suppliers were asked to redraw larger sizes of coil to smaller sizes for their use.

P.A. Christ admits that Gabriel had its difficulties. "We had to build some items short of actual customer requirements, and toward the end of the strike, we didn't have enough material on hand to cover all needs, and had to allocate on a priority basis." But Gabriel's management is convinced that extra costs of the strike would have been spectacular.

(Continued on page 8)



THEY BORROWED at this San Francisco construction job. Steel to shore up this embankment went back to its owner after the strike.



THEY GOT on the phone at Hot-point Co. to round up steel.

cost us \$100,000 over what the mill prices would have been."

• "Through substitution of types or sizes of steel or different metals, we were able to get through the later strike stages."

That's what Virgil Waters, director of purchases at Utility Trailer Co., La Puente, Calif., did after his planned 12-week steel inventory ran out.

"For example, when it became impossible to get 10-gage (.114 in.), high tensile strength steel members, we used 8-gage (.172 in.), hot-rolled steel which compensated for the lower strength being thicker. Where steel beams were unavailable for trailer frames, we used aluminum."

When substitution wasn't possible, Waters shopped at several local warehouses that had sold to Utility before. "We were able to get what we wanted without the need of foreign steel or having to seek new vendors. The firm weathered the strike without shutdowns, layoffs, or curtailment of production."

Henry J. Christ, director of purchases at Gabriel Co., manufacturers of automotive shock absorbers and equipment, worked out strike battle plans with his 6-man purchasing department early in 1959. In February, Christ had commitments from mills for orders six months in advance and, by the time the walkout began, Gabriel had a five-month inventory of steel and components.

• "We had to ask our vendors

FIGURE 2 factors to get the cost of steel...

COST OF POSSESSION is an important addition to price!

What are the costs of possession when you put steel in inventory? Many are hidden. Run your eye down the chart at the right . . . it will help you find them.

Many smart, well-informed steel users find they save money by using the stocks, facilities and technical knowledge of their Steel Service Centers. They deliver steel when you want it, cut to exact size, ready for use. Your capital is freed for

more profitable use.

Compare all of your costs, including *cost of possession*, with the price and freedom from risk of buying steel from your Steel Service Center. Get the booklet, *What's Your Real Cost of Possession for Steel?* from your nearby Steel Service Center. Or write to Steel Service Center Institute, Inc., 540-F Terminal Tower, Cleveland 13, Ohio.

COST OF POSSESSION FOR STEEL IN YOUR INVENTORY

Per ton delivered	
Cost of capital:	
Inventory	
Space	
Equipment	
Cost of operation:	
Space	
Materials handling	
Cutting & burning	
Scrap & wastage	
Other costs:	
Obsolescence	
Insurance	
Taxes	
Accounting	
TOTAL	

COST OF FREEDOM-FROM-RISK STEEL FROM YOUR STEEL SERVICE CENTER

Per ton, cut-to-size, and delivered	
TOTAL	



... YOUR STEEL SERVICE CENTER

How 10 P.A.'s Overcame the Long Steel Famine

(Continued from page 7)
lar if it weren't for Christ's preparation, planning, and switching.

Ingenious methods were tried in many industries. Jerrold Electronics, a Philadelphia manufacturer of community television antennas, was caught without a vital tap-off unit which is used to hook individual sets to the master antenna. The firm bought 1,200 used units from customers and replicated them. But when this supply was exhausted, Jerrold had to buy 4,000 units from a California supplier at three times the normal cost.

• "We placed orders for low-grade steel called mill 'over-runs' or 'rejects,' or 'wasters,'" says a St. Louis P.A. who found gold in the scrap pile. "Some of the parts made from this steel ended up as scrap, too, but we did keep running. Please don't use my name," he added. "Some people might think I was crazy, but it kept 1,000 men working in our plants.

• "It took only two days for delivery from the first panic phone call, but because of the steel shortage they were two very hectic and worry-filled days." Why was Bill Brown of Pacific Company Engineers, San Francisco, so concerned about getting steel? A retaining wall had collapsed into a building excavation that Pacific was digging. Already a street had disappeared into the hole, and five homes were teetering on the edge. A score of 21-in. wide flanged beams 40-ft. long were needed for another wall.

Brown called every supplier in the San Francisco area. "Several suppliers would part with a few beams each, but nobody would deplete his stock to the extent we needed."

The answer lay in "rental steel." Brown bought the steel from a contractor under an informal buy-back arrangement. After the wall had been repaired, the contractor would buy the used steel back at a reduced price. The Ben C. Gerwick Co. was able to get it to him quickly and at a noninflated price.

• "We told our vendors in December, 1958 that we wanted them to operate along with Norge during the expected strike," said Plants Controller George Baughman at Norge Div. of Borg-Warner Corp., Chicago.

"We asked them to buy enough extra steel and other materials to allow cooperation with Norge's plan. Norge offered financial assistance to the vendors in buying extra supplies, and it guaranteed that whatever material was bought for the plan would not be left sitting on the vendor's shelves during the strike."

The whole program cost Norge \$6,500,000 for its own requirements and those of twenty suppliers. But there was enough steel on hand to let Norge increase production by one-third during the strike.

• "Ours was just a typical operation," modestly says Malcolm Thomas, P.A. for the Varel Manufacturing Co., of Dallas, Texas, maker of rock bits and drilling equipment. Varel uses steel forgings in its operations, and these unfinished forgings come from two sources, one in Pennsylvania, the other in Houston, Texas.

Thomas and Dan Varel, company president, figured that the Pennsylvania plant, a union shop,

would be struck. So Varel made arrangements with the Texas forging shop to put in an inventory of steel on a share plan.

Varel put up half the money needed to obtain as much steel as the forging plant thought it would need during the strike. The forging company arranged for the purchasing and warehousing at no additional cost to Varel. This advance purchasing was begun in January 1959, so the forge shop avoided premium prices.

• "It was a gamble, but it paid off," Thomas says, adding that they were adequately supplied

with forged steel throughout the strike. "Of course, good supplier relations made the whole deal possible."

• "We treat our suppliers as though we were selling to them," explained Elmer Pohlman, director of purchases for Globe-Wernicke Co., Cincinnati, manufacturer of steel office equipment. Top management goes out of its way to maintain personal relationships with suppliers, take them to ball games, and an occasional lunch. Result? Globe-Wernicke increased sales and production during the strike.

They Played it Close to the Vest

One P.A. from a 1,000-employee firm in St. Louis who has been through the steel shortage of World War II, the Korean War, and postwar steel strikes said, "Look, knowing when and how to move and where to find products needed by my company is my stock in trade. I'm not in the mood to be a hero and give away free secrets that took years of experience, including some blood, sweat, tears and money to learn. Why throw the door wide open for others?"

Another anonymous buyer wouldn't talk about the best deals he pulled. "You talk about some breaks people gave you as a result of years of business friendship and you lose those friends fast." Those who weren't 100% successful or who had to pay a high premium for steel were inclined to be silent, too. A maker of bus and truck bodies in Georgia admitted that "We had to pay steel brokers prices that fell between those of the mills and the warehouses. Since we had been buying directly from mills, this increased our production costs by about 7 or 8%, but the arrangement enabled us to keep going."

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This Changing Purchasing Profession . . .



R. D. CRANE



R. C. KELLEY

Dresser Names New Chief Of Purchases: R. D. Crane

Dallas—Robert D. Crane has succeeded Robert C. Kelley as director of purchases and traffic, Dresser Industries, Inc. Kelley, who retired on reach-

ing 65, had the post since 1944. He is going into business for himself as a steel importer, purchasing consultant, and buyer.

Before joining the firm as assistant director of purchases in 1958, Crane was manager of purchases at Dresser Mfg. Div., Bradford, Pa.

John R. Noreen has joined Jones Machinery Div., Hewitt-Robins Inc., Chicago as purchasing agent. He had previously held the same post at Cory Corp., Chicago.

C. E. Mattox retired as purchasing agent of Peabody Coal Co., St. Louis, Mo., Jan. 1 after 32 years with the firm.

John J. Engel has been advanced from assistant purchasing agent to purchasing agent, Appleton Machine Co., Appleton, Wis. He succeeds O. C. Mead, who resigned to join family interests in the Fremont area of the state.

Joseph W. Kimmel has been appointed purchasing manager,

Downtown Paper Co., Philadelphia.

John R. Guynes, formerly manager of purchases, Magnolia Petroleum Co., has been named regional manager of purchases for the Southwest Div., Mobile Oil Co. His headquarters will remain in Dallas.

James G. Orehosky has been made director of purchasing, the Narda Microwave Corp., Mineola, N. Y.

A. E. Spillman has joined

Quality Oil Co., Winston-Salem, N. C., as purchasing agent, a new post. Department heads had previously done the buying for their departments. Spellman had been a county real estate appraiser and tax assessor.

C. Leon Smith, former assistant director of purchases, Emory University, Atlanta, has joined the University of Buffalo, N. Y., as purchasing agent.

T. Carroll Latham has retired as purchasing agent, Fort Orange Paper Co., Albany, N. Y., after 48 years with the firm. He is a past president of the Eastern New York Purchasing Agents Association.

MEETINGS

First Listing

National Canners Association Convention and Canning Machinery & Suppliers Association Exposition—Americana Hotel, Miami Beach, Jan. 18-23.

Illinois Petroleum Marketers Association—Products and Equipment Show, Morrison Hotel, Chicago, March 8-9.

Previously Listed

JANUARY

Northwest Petroleum Association—Annual Meeting and Trade Show, Nicollet Hotel, Minneapolis, Minn. Jan. 20-21.

Institute of Surplus Dealers—10th Annual Trade Show & Convention, Trade Show Building, New York, Jan. 24-26.

11th Plant Maintenance & Engineering Show and Conference—Convention Hall, Philadelphia, Jan. 25-28.

Chemical Buyers' Group, NAPA—Mid-Winter Conference, Mid-Western & Western Division, Hotel Congress, Chicago, Ill., Jan. 27-28.

Newspaper Purchasing Executives Conference—Netherland-Hilton Hotel, Cincinnati, Ohio, Jan. 29-30.

National Automobile Dealers Association—Equipment Exhibition, Shoreham Hotel, Washington, D.C., Jan. 30-Feb. 3.

National Association of Purchasing Agents—Public Utility Buyers Group, Mid-Winter Meeting, Atlanta-Biltmore Hotel, Atlanta, Ga., Jan. 31-Feb. 5.

FEBRUARY

Southwest Heating and Air Conditioning Exposition—Memorial Auditorium, Dallas, Tex., Feb. 1-4.

Instrument Society of America—Instrument-Automation Conference & Exhibit, Houston Coliseum, Houston, Tex., Feb. 1-5.

Chemical Buyers' Group, NAPA—Mid-Winter Conference, Eastern Division, Hotel Commodore, New York, Feb. 3-4.

Purchasing Agents Association of Alabama—13th Annual Seller-Buyer Dinner, Birmingham Municipal Auditorium, Birmingham, Ala., Feb. 11.

Wisconsin Petroleum Association—34th Annual Convention & Exhibit, Schroeder Hotel, Milwaukee, Feb. 24-25.

MARCH

American Society of Mechanical Engineers—Gas Turbine Power Conference & Exhibit, Rice Hotel, Houston, Tex., March 6-9.

Illinois Petroleum Marketers Association—Products and Equipment Show, Morrison Hotel, Chicago, March 8-9.

Institution Feed and Supply Show—Trade Show Building, New York, March 21-24.

Greater New York Safety Council—30th Annual Safety Convention and Exposition, Hotel Statler-Hilton, New York, March 28-April 1.

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Purchasing Week

Vol. 3, No. 3

JANUARY 18, 1960

Print Order This Issue 26,520

P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

Productivity—A Vital Measure

Prices this year will go up only 1%, according to PURCHASING WEEK analysts, largely because increased productivity will offset the gross gain (about 3-4%) caused by added wage and materials costs.

But productivity figures aren't always clearly understood. According to McGraw-Hill economists:

All productivity figures are subject to considerable controversy. But the U. S. Bureau of Labor Statistics' figures are the latest and best available. These figures reflect the sharp increase in output per manhour in agriculture in recent years, as well as the more modest gains for the remainder of the economy."

(Using 1947-1949 = 100, productivity has jumped from 96.7 in 1947 to an estimated 138.7 in 1959.)

Table of Growth

As the figures above show, there's a distinct upward trend in American output per manhour. Except for 1956, every year shows a gain in productivity of at least 1%. But there's been considerable variation from year to year in productivity increases. And there is a built-in tendency for productivity to vary with business fluctuations.

"As business moves out of a recession and climbs toward its preferred operating rate, only the most efficient men and machines are working. In periods of business recovery such as 1950, 1955, and 1959, output per manhour, therefore, shows sharp gains. As production facilities become overloaded, efficiency falls, and output per manhour shows smaller year-to-year gains," the McGraw-Hill study shows.

YEAR	Terminal Year												
	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
1947	X	3.6	3.3	4.5	4.0	3.7	3.7	3.4	3.6	3.2	3.2	3.0	3.0
1948	X	X	2.9	5.0	4.1	3.7	3.7	3.4	3.6	3.2	3.1	2.9	3.0
1949	X	X	X	7.1	4.8	3.9	4.0	3.5	3.7	3.2	2.8	2.6	2.7
1950	X	X	X	X	2.5	2.4	2.9	2.7	3.0	2.6	2.6	2.4	2.6
1951	X	X	X	X	X	2.2	3.1	2.7	3.1	2.6	2.6	2.4	2.6
1952	X	X	X	X	X	X	4.1	2.9	3.4	2.7	2.7	2.4	2.6
1953	X	X	X	X	X	X	X	1.8	3.1	2.3	2.4	2.1	2.4
1954	X	X	X	X	X	X	X	X	4.4	2.5	2.6	2.1	2.5
1955	X	X	X	X	X	X	X	X	X	0.6	1.7	1.4	2.0
1956	X	X	X	X	X	X	X	X	X	X	2.7	1.8	2.4
1957	X	X	X	X	X	X	X	X	X	X	X	0.8	2.3
1958	X	X	X	X	X	X	X	X	X	X	X	X	3.8
1959	X	X	X	X	X	X	X	X	X	X	X	X	X

But if you want to pick an annual improvement factor, or percentage increase from one year to another, you can pick the one that best suits your case. With judicious choice of base and terminal years on the graph above, you can prove any point you want. The Annual rates of increase of pro-

ductivity range from 0.6% to 7.1%. But significantly, there has been an increase in output per manhour for every one of the periods listed in the table.

To determine the annual rate of gain in output per manhour for any postwar time span, select the base year in the left-hand column and follow the line of figures across the page to the column headed by your desired terminal year. Your finger will then be pointing to the average annual rate of improvement in output for the period.

Smokers Beware

Over \$175 million worth of American industry went up in smoke in 1958. The cause: manufacturing plant fires. That's the staggering total that the National Fire Protection Association gives for that year's fire damage losses.

But fire protection devices and employee safety campaigns are helping to cut the toll—1958's loss was about 7% below 1957. There were an estimated 38,400 fires in U. S. plants in 1958 compared to 41,100 in 1957.

The High Cost of Meetings

At least 258,000 man-days and \$21.5 million worth of time went into technical and engineering conventions last year just in the aerospace industries. That's what a study by the Daniel and Florence Guggenheim Foundation shows.

But there's a serious question whether America's scientists and engineers are getting enough information about new technical developments fast enough to keep abreast of this rapidly growing field.

The report was based on questionnaires sent to executives of 74 firms in the missile, space, and aviation industries. The companies reported 2 to 1 that there were too many meetings of technical societies and there was a lot of overlap and duplication in their activities.

The foundation recommends that the overlapping and confusion could be cut by better communications on technical matters, possibly with programs under the auspices of a university or scientific institute.

Short Pointer

Fringe-Benefit Department: Industry provides an average of 12 fringe benefits to its hourly worker, according to Uncle Sam. Every year a new type of benefit is added: An extra day off for birthdays, new kinds of insurance and hospitalization—the list is endless. Here's the latest wrinkle: Spinster counseling. The Watkins Co., Inc., Wichita, Kansas steel firm, is listing the single girls and the bachelor men week by week in the plant newspaper, "Watkins Weekly." The plant paper goes on to describe the best tactics for spinsterhood relief: Elbow nudging, eyebrow fluttering, and soft murmuring.

Follow Up: Letters and Comments

Epoxy Resins

New York, N. Y.

We are coming to you for help because of the important role PURCHASING WEEK plays in communicating essential information to the fields you cover.

As part of a special epoxy resin information program we are interested in finding out how various industries evaluate epoxy resin compounds, both from the standpoint of past performance and future potential, use of these materials for repair and maintenance, as well as in manufacturing techniques.

William H. Friedman
Secretary

Epoxy Information Program
Michel Cather, Inc.

• As a starting point, we suggest you consult "Epoxy Resins—Their Applications and Technology" by

H. L. Lee and K. O. Neville, McGraw-Hill Publishing Co.

Address Wanted

Roosevelt, Puerto Rico

Please send us the address of L. Hatschek of Austria, developer of "Eternit" formula (PW, "Makers of 'Eternit' Plan Bulk Buying," Dec. 7, '59, p. 17).

Tomas Cuerda

• Eternitwerke Voecklabruck, Upper Austria Province.

Reprints and Orchids

Boston, Mass.

We would appreciate receiving 10 reprints of "What the Purchasing Agent Should Know About Buying Better Moving Services" (PW, Dec. 21, '59, p. 12).

Permit us to take this opportunity to commend you on your fine publication. Concise without being watered-down, yet analytical when it has to be, PURCHASING WEEK has the best interests of its busy readers at heart.

John J. Waugh
Purchasing Agent
Quincy Market Cold Storage & Warehouse Co.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Follow-Up," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

Purchasing Week



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Vol. 3, No. 3 January 18, 1960

PURCHASING WEEK is published weekly by the McGraw-Hill Publishing Co., Inc., James H. McGraw (1860-1948), Founder. Publication Office, 99-129 North Broadway, Albany 1, N. Y. See panel below for directions regarding subscriptions or change of address.

EXECUTIVE, EDITORIAL, CIRCULATION and ADVERTISING OFFICES: 330 West 42nd St., New York 36, N. Y. Donald C. McGraw, President; Joseph A. Gerardi, Executive Vice President; L. Keith Goodrich, Vice President and Treasurer; John J. Cooke, Secretary; Officers of the Publications Division: Nelson L. Bond, President; Harry L. Waddell, Senior Vice President; John R. Callahan, Vice President and Editorial Director; Joseph H. Allen, Vice President and Director of Advertising Sales; A. R. Venetian, Vice President and Circulation Coordinator.

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Postmaster . . . Please send form 3579 to Purchasing Week
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PURCHASING WEEK Asks . . .

Do you feel it is advantageous for the one or two man purchasing department to specify certain days and/or hours for salesmen's calls?



Frank McKaye, purchasing agent, West-Wood Products, Inc., Cassopolis, Mich.:

"No. To set up certain times and days and maintain that schedule is probably more difficult for purchasing agents in small departments. The purchasing agent who has no staff is usually loaded with so many phases of purchasing that he is lucky if he knows from one hour to the next what he will be doing. Add to this his daily duty of supplying production, plus office meetings, and you have a person whose time is almost impossible to regulate."

F. A. Carradine, purchasing agent, Mid-Valley, Inc., Houston:

"Definitely! We have set aside Tuesday and Thursday as calling days and a notice is so posted in the reception room. By doing this, I find that I can gear myself for the day's schedule—whether it be dictation, bid tabulating, meeting with the construction or engineering departments, or whatever. Since we are industrial builders and engineers, salesmen calling on us are varied; and therefore, this approach has many advantages."

Abe Morin, director of purchasing, Bogen-Presto Div. of Siegler Corp., Paramus, N. J.:

"I am definitely opposed. If an important conference is called or a rush visit to a vendor's plant is urgently required, the purchasing agent would have to disappoint the salesmen who made special trips to see him on the day he specified he would be available. A good salesmen-purchasing agent relationship is a prime requisite for a successful operation; any restrictions placed on visits would hamper this relationship."

C. A. Bowman, purchasing agent, Wesel Mfg. Co., Scranton, Pa.:

"It would be more advantageous but not practical. Purchasing department personnel of most small companies usually have multiple duties. Because of the demands of these other duties, it would be impossible to anticipate a regular schedule for calls. Also most salesmen calling on us come from distant points; we feel it is advantageous for us to cooperate by seeing them, if possible, when it is convenient for them to call."

W. D. Starr, purchasing agent, Lea Mfg. Co., Waterbury, Conn.:

"While fixed visiting hours might permit purchasing people to plan their other work more advantageously, we feel it would be disadvantageous for salesmen. Our own salesmen have given us their opinions and we think we should practice what they prefer—we welcome salesmen at all times."

Howard Haynes, vice president-purchasing, Guthrie Lithograph Co., Inc., Washington, D. C.:

"I don't have any set time. Most of the salesmen who call on me have been doing so for years, and they know my routine. However, if an out-of-town salesman wishes to call, I re-arrange my schedule accordingly. I prefer afternoon calls because this gives me an opportunity to handle my business details in the morning."



In next week's column, PW will air the sales executive's viewpoint on this important question.

THE NATIONAL SCENE



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For accurate information and fast shipments of Laminated Plastics, Vulcanized Fibre and Extruded Nylon from stock, phone your nearest National Sales Office. Every Monday morning all National Sales Offices receive up-to-the-minute information on available stock.

Stocks include grades of **PHENOLITE®** Laminated Plastic, National Vulcanized Fibre, National Nylon and "Delrin", Du Pont's new acetal resin.

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Extruded Nylon Rod is stocked in diameters from $\frac{1}{8}$ " to 2". Nylon fabricated parts can be specified in an almost limitless variety.



Commercial Fibre, used in a broad range of applications, available in sheets, $\frac{1}{8}$ " to $\frac{1}{2}$ " thick. Colors: red, black or gray.



Rod in diameters from $\frac{1}{8}$ " to 2" in stock. Strip, from .020 to .093 thick up to 7" wide, special extruded shapes to order.



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Chicago	AUstin	7-1935	Pittsburgh	FAirfax	1-3939
Cincinnati	GArfield	1-0632	Rochester	Hillside	5-0900
Cleveland	ERieview	1-0240	St. Louis	PArkview	5-9577
Dallas	DAvis	4-4386	St. Petersburg		5-5505
Denver	MAin	3-2077	San Francisco	DAvenport	6-4667
Detroit	UNiversity	3-3632	Seattle	MElrose	2-7298
Griffin, Ga.		8-1308	Wilmington	Olympia	5-6371
Indianapolis	WAlnut	3-6381	IN CANADA:		
Los Angeles	RAymond	3-0291	National Fibre Co. of Canada, Ltd.		
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New England Railroad Leader Says Future Holds Promise of Fast Freights, Higher Road Tariffs

Boston—The chairman of the New England Railroad Presidents' Study Committee, E. Spencer Miller, predicts that New England rail transportation will undergo four major changes in the next 10 years:

- All but a few long-distance passenger trains will disappear.

- Rail commutation will increase in large cities such as Boston and New York, subsidized by federal, state and local governments.

- New, fast merchandise trains will carry the region's mail, express, and package freight.

- A system of highway user charges will be established and will promote a more realistic competitive situation between trains and trucks.

Miller, who also is president of the Maine Central Railroad, made his predictions at a recent joint meeting of the New England Council and the Transportation Association of America here.

He declared that New England's industry will benefit through mergers of the area's railroads, and that long-distance intercity travel would become more and more the exclusive responsibility of the airlines.

Consolidations for '60's

Emphasizing that he was not playing the part of an oracle, but was merely taking a "deterministic" approach to the future, the rail executive said the next decade will see both corporate consolidations of railroads and consolidations of operations in the interest of efficiency.

"We will know by the end of the first quarter of this year how the New England railroads, short

Boston Committee Wants Overhaul

Boston—The Boston Finance Corp., the city's watchdog committee, has urged newly elected mayor John F. Collins to overhaul city purchasing practices and effect "substantial savings."

The Finance Commission outlined the following recommendations of purchasing experts in the 1952 Russell Forbes Survey:

- A five-man board to establish standards for commodities purchased by the city.

- A system for buying for all departments on the basis of yearly needs.

- A central warehouse to store commodities purchased in bulk at a saving.

- Abolition of separate purchasing by the county, police, and library departments.

- Establishment of a system for the inspection, sampling, and testing of all goods delivered.

- A law governing the disposal of surplus property.

Mayor Asks Chemical Industry Probe

Binghamton, N. Y.—State and federal officials have been urged by Mayor John J. Burns to investigate the possibility of price-fixing by chemical manufacturers.

In suggesting an antitrust probe in this area, the mayor pointed to Binghamton's experience in the purchase of liquid chlorine.

To the Decimal Point

In a letter to several top government officials, he pointed out that "for many years, the bids have come in at the same price, including delivery and freight costs, right down to the last decimal point."

He added that the "bids are sealed competitive bids such as you find in any city and the procedure we follow is the same everywhere in New York State."

"It is my belief," Mayor Burns declared, "that there is enough evidence to warrant an investigation into this matter to determine whether or not a chemical company or companies are controlling the market to such a degree that they can force their customers to sell at whatever price they decree."

Monsanto Opens 'Computer-Controlled' Plant

Luling, La.—Monsanto Chemical Co. has opened what it claims is the "first computer-controlled chemical plant in the U. S."

The new ammonia plant, which started testing operations last month, is now in full swing, "although we won't know how successful the operation is for several months," a spokesman declared.

Involved in the "revolutionary" operation is a Ramo-Wooldridge RW-300 computer, which controls the entire instrumentation of Monsanto's chemical processing.

"Until now," a Monsanto offi-

cial told PURCHASING WEEK, "the valves and gages controlling the instrumented ammonia-making process had been under the control of human beings.

"Human beings just can't react to all necessary changes in these variables instantly. Such things as viscosity, flow, and temperature changes all require immediate reaction on the controls in order to maintain constant conditions."

The RW-300, the Monsanto official added, reacts instantly and makes whatever changes may be needed to maintain a perfectly

controlled chemical reaction.

The new computer won't mean any savings in labor, he pointed out. It will, however, mean more efficient output.

Although he refused to divulge the capacity of the Monsanto plant here "for competitive reasons," he indicated the company expects "to achieve maximum productivity" from its plant investment at minimum operating cost.

The spokesman also declined to reveal the costs involved or the expected savings.

Instead of Yearly Product Changes, Kelvinator Will Change When Ready

Chicago—The policy of annual model changes "for change's sake" has been abandoned by Kelvinator home appliances. The American Motors Corp. appliance division will henceforth introduce its new models "as soon as they are ready."

Readiness, said B. A. Chapman, executive vice-president and general manager of the division, will be determined by "significant product and engineering developments."

Chapman said the new policy would provide more economical and effective use of technical and creative staffs. "Prices," he added, "will reflect genuine engineering and design improvements and not the cost of unnecessary change for change's sake each year."

Traditionally, the appliance industry has introduced new home laundry lines in summer in preparation for fall and winter sales while refrigerators have been presented in winter prior to the big summer season.

"In some cases," Chapman charged, "when companies had no engineering innovations to offer, changeover consisted of new trim or door handle."

Kelvinator's last "annual model change" will be the 1960 line, said Chapman. "Improvement in styling and appearance features will be incorporated also without regard to annual changeover dates," he added.

While other appliance makers pooh-poohed the new Kelvinator policy (some called it "another Romney space-grabbing stunt") the company expects to save on the considerable expense of annual re-tooling.

Because certain popular models will be continued in line each year, Chapman also predicted a decrease of costly problems.

The new policy comes on the heels of another economy move, which saw Kelvinator consolidate its Peoria, Ill., home laundry plant and Detroit compressor making facilities in Grand Rapids, Mich.

Industry sources indicated elimination of annual model changes has been under discussion in the appliance business for several years, although Kelvinator has become the first full-line appliance maker to take the step.

New Mexico Announces 'One-Package' Scheme For Statewide Purchases

Santa Fe, N. M.—A new buying program for the New Mexico Highway Department, a one-package deal that could total near \$1 million, was announced recently by State Purchasing Agent Dante Vaio.

The Department will have "open-end bidding" on major road equipment—trucks, graders, crushers, and compressors. Bids will be received on the various pieces of equipment needed for a year, and orders will be placed during the year as funds become available. This could replace the present system of several bid lettings during the year.

Engelhard Industries Begins to Sell Diamonds

Newark, N. J.—The establishment of a full scale regional sales force with offices in seven major metalworking areas has now been completed by the newly formed Industrial Diamond Division of Engelhard Industries, Inc.

The new division came into existence last month to import, stock, process, and sell industrial diamonds in the U. S. and to provide technical service, application engineering, and basic research for industrial users of diamonds.

What 3 things do these parts have in common?

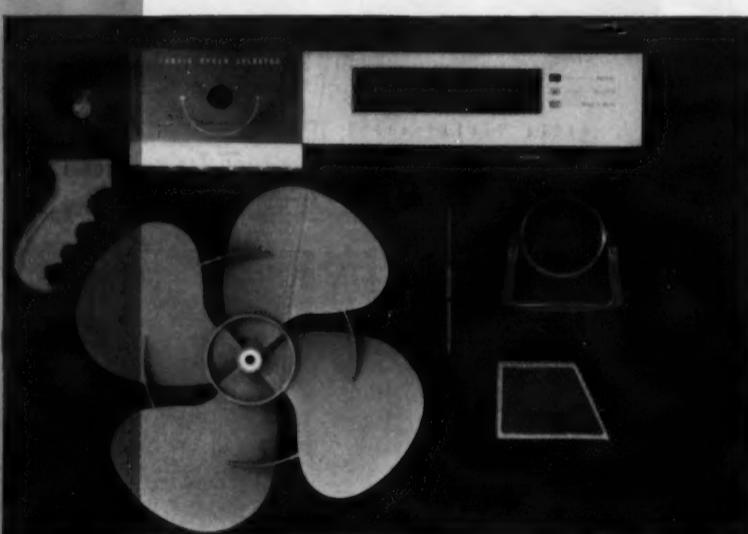
They perform better. Yet they cost less. And they are all molded of plastics.

The exhaust fan blades have a molded-in metal bearing, and are unaffected by corrosive fumes. The washing machine filter not only costs less to make, it also licked a rust problem. The one-piece phonograph spindle cap simplified a complicated assembly, while maintaining tolerances of +.003 and -.000.

The jewelers' screw driver, the pistol grip tool handle, the dryer control panel, and the milk bottle handle are all low cost product improvements, made possible by the ever-widening choice of plastics materials and the growing efficiencies of custom molders.

Think of the custom molder of plastics as the "manufacturer's manufacturer." His engineering staff measures the product for plastics. His tool-makers build the master molds to close tolerances. His manufacturing facilities produce the most complex parts with consistent quality, at rates to meet the tightest schedules and budgets.

Monsanto, supplier of plastics molding compounds to leading custom molders, has prepared a special report on "How To Buy Custom Molded Plastics." Write for your free copy to Monsanto Chemical Company, Plastics Division, Room 710, Springfield 2, Mass.



MONSANTO PACE-SETTER IN PLASTICS



Chemical Buyers to Hold First Midwinter Meeting in Chicago

500 P.A.'s Expected to Attend Sessions That Highlight Theme: 'Prepare for the Sixties'

Chicago—First of the twin mid-winter meetings of the NAPA Chemical Buyers Group will be held here Jan. 28.

A total of 500 members are expected to "Prepare for the 60's"—the conference theme—both here and in New York, where an identical program will be presented for Eastern buyers on Feb. 4 at the Hotel Commodore. The Midwest meeting will take place at the Pick Congress Hotel.

Robert R. MacIver, assistant counsel, Columbia Southern Chemical Corp., Pittsburgh, will open the meeting here with a discussion on "Legal Aspects of Trade Relations."

Other speakers on the morning program include Dr. John Hoagland, of Michigan State University; C. S. Dennison, vice-president, Overseas Operations Div., International Minerals and Chemical Corp., Skokie, Ill.; and Peter W. Hoguet, president, The Econometric Institute, New York.

Dr. Hoagland will take up the problem of "Training and Professional Development," while Dennison will discuss "The Changing World Chemical Industry and Its Impact on the Chemical Buyer."

Hoguet, scheduled as luncheon speaker, will talk on "Planning for Economic Growth in the 60's."

"Evaluation of Foreign and Domestic Chemical Supplies" will be the topic of an afternoon round table, with F. G. Schmitt, director of purchasing, Merck Chemical Div., Merck & Co., Inc., as moderator.

G. H. Reiner, purchasing director at Abbott Laboratories, will lead the discussion for the Chicago group, and S. E. Spencer, Jr., director of purchases, General Foods Corp. will take over that job in New York.

This will be the eighth year that the group has had a program specifically aimed at the interests of chemical buyers only. Until 1952 the CBG had been known as the Chemical and Allied Products—Buyers Group.

Today the CBG, with over 650 NAPA members on a mailing list of 1,150, is an important organization developing programs and projects designed to keep chemical buyers aware of events in their own profession and the economy generally.

Newspaper P. A.'s To Hold Annual Meeting In Cincinnati Jan. 28

Cincinnati—Newspaper purchasing executives will hold their third annual conference here January 28-30.

Speakers on the two-day program include Charles W. Staab and Larry Nash, both of the Cincinnati Enquirer, who will discuss "Purchasing at the Cincinnati Enquirer," and "Purchasing of Photographic Equipment and Supplies."

The problems of "Disposal of Surplus" and "Telephone Costs" will be handled by Owen D. Lewis, Winston-Salem Journal & Sentinel, and T. A. Corcoran, Louisville Courier-Journal.

Lewis and Corcoran, a former NAPA president, along with W. S. McKelvie, former P.A. at the St. Petersburg, Fla., Times, founded the National Association of Newspaper Purchasing Executives in 1956.

U. S. Forest Service Plans More Uniform Grading For Commercial Lumber

Washington—The Federal Government is planning to stem complaints from industry by setting up more uniform standards for lumber.

The U. S. Forest Service has initiated studies on timber quality and standards for possible use in measuring lumber moving into commercial markets. Officials said adequate log and tree grading systems are lagging and that each forester and timber user may have a different standard for quality.

Electronics Makers Go for Leasing

San Francisco—United States Leasing Corp. is currently leasing almost \$10 million worth of equipment to electronics manufacturers, Charles B. Stone III, chairman, disclosed recently.

This is more than 25% of the equipment now on the firm's books, Stone said. The largest single lessee, he added, is Thompson Ramo Wooldridge, with more than \$3 million worth of equipment on lease.

While the bulk of the equipment being leased to electronics firms relates directly to production, a number of leases are for

office equipment and fixtures, including intercom systems, desks, chairs, typewriters, calculating machines and air conditioning units.

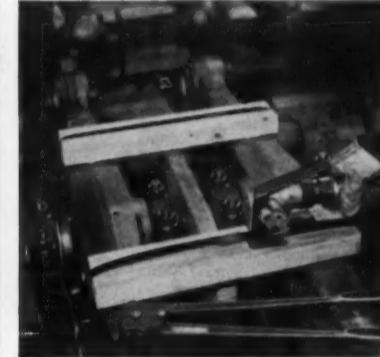
Organized in 1952, United States Leasing Corp. was the pioneer in the rapidly growing diversified equipment leasing field and is currently the nation's leader.

During 1959, Stone added, leasing companies will have leased an estimated \$100 million worth of equipment to firms of all types located throughout the country.

Seven SIGNODE ways to strap better for less...at the speed you need



Basic two-piece tool set; easy to use. An inexpensive outfit, including seals, strapping, strap dispenser, stretcher and sealer, saves time and money in any shipping room.



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Model AP portable air-power strapping machine—a fast, dependable air-powered tool that tensions, seals, cuts off strap. Preset tensions up to 1600 lbs. Also electric—Model AE.



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American, Delta Airlines Now Run All-Cargo Southern Route

Atlanta, Ga.—American and Delta Airlines inaugurated the first all-cargo interchange across the Southern Transcontinental Route last week, simultaneously cutting freight rates 10% on most items shipped between Atlanta and Los Angeles and San Francisco.

Sample rates now include: \$21.10 per 100 lb from Atlanta to Los Angeles and \$24.85 from San Francisco to Atlanta.

The two carriers, which began passenger interchange flights over the same route in 1949, will offer daily flights between Atlanta and the West Coast with DC-6A airfreighters owned by American Airlines.

The new cargo service will operate every day except Saturday and Sunday. Overnight delivery will be provided each way.

Although air cargo has been interchanged by both airlines at Dallas for many years, the new service will be the first through plane service with four-engine all-cargo aircraft ever to be provided to shippers between the West and South.

Advantages claimed for the new service: En route transfers and possible misconnections will be eliminated. Schedules are tailored to connect with other all-cargo flights.

The DC-6 airfreighter flies at nearly 300 mph and can carry a pay load of 30,000 lb. Huge boxcar type doors handle shipments up to 50 ft in length.



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British Prepare New Assault On Price Fixing

London—The British government is preparing a new legislative assault on price fixing in a move aimed at enforcing its largely unsuccessful attempt to eliminate identical price quotations.

Under the present Restrictive Practices Act of 1956, which outlawed industry-wide price fixing, individual manufacturers have been allowed to set their own resale prices and enforce them against discount retailers by civil action in the courts.

Now this last bastion of price fixing, the U.K. equivalent to fair trading, may be attacked by a new bill this year, if present government studies mature.

Israelis Claim a New Wool Process That Makes Fabrics Shrink Proof

Tel-Aviv, Israel—An Israeli textile research institute has come up with a new, one-stage treatment, which gives shrink-resistance to wool and other fabrics.

The new treatment, says the inventor, Dr. Menahem Lewin, Head of the Research Department of the Institute for Fibres and Forest Products, resulted from a lengthy investigation of oxidation of wool by oxidizing agents in acid solutions.

The simple process, he says, requires no special equipment or skilled labor and can be used with equal success on fibers, yarns, knitted wear, and fabrics.

Lewin said the process, which has been licensed to two of this country's largest mills, can be carried out in one stage at room temperature. Duration of the new process in that country.

treatment is easily controlled, he added.

There is almost no danger of damaging the wool, he said, which comes out of treatment completely homogeneous.

After processing, the wool may be dyed safely, washed for several hours in soap in automatic washers, or milled for hours in milling stocks and still show shrink resistance as well as abrasion resistance (which, Lewin said, is improved by the process).

Lewin reported his process had been checked on an industrial scale by several British wool manufacturers and successful trials have been conducted by Australia's Wool Research Laboratory, which has requested exclusive rights for applying the new process in that country.

Jordan's King Announces That Aqaba Is Country's New, Official Seaport

Amman, Jordan—King Hussein has decreed Aqaba the new official port of entry for nearly all categories of U.S. and European imports to this country.

The decree, effective immediately, suggests routing via the Suez Canal. The new port replaces the old route to the Mediterranean port of Beirut, Lebanon, and overland through Syria to Jordan.

Jordan's only outlet to the sea and world markets is its four-mile strip of disputed territory on the Gulf of Aqaba, where a tiny fishing hamlet has now been transformed into a modern, deep-water port.

The decision to go ahead with port construction was more or less forced on Jordan during its "cold war" with the United Arab Republic, of which Syria is the Eastern Region, through which Jordan's imports had to travel.

Aqaba Believed Safer

Aqaba, it was felt, would prove to be a safer and more economical alternative, despite the fact that it lies within shouting distance of the Israeli port of Elath as well as Egyptian and Saudi Arabian borders.

Although the Mediterranean ports of Haifa and Jaffa in Israel are closer to Jordan's markets and suppliers than either Aqaba and Beirut, no use can be made of these ports so long as a state of armed truce exists between Israel and Jordan.

The new port, has a 524-ft general cargo berth with a 72,000 sq ft transit shed and open storage areas of 170,000 sq ft.

Other facilities at Aqaba include a 15,000-ton capacity oil products terminal and tank farm, which are now handling all the country's petroleum imports. Still to be completed are Jordan's own refineries which are expected to begin production sometime next year.

Also under construction is a desert highway from Aqaba to the north. It is scheduled for completion this summer. In addition at least one American and one West German company have offered to extend Jordan's only railroad from Amman south to Aqaba.

PURCHASING AGENTS' CHECK LIST FOR INDUSTRIAL SEATING



COMFORT FEATURES TO MINIMIZE FATIGUE, BOOST PRODUCTION

Want to cut energy-robbing fatigue? Look for body-contoured backrest, large comfortable seat, spring steel backrest support that maintains correct firmness and fit for life of chair.

ADJUSTMENT FEATURES FOR EFFICIENCY, VERSATILITY

Fit the chair to the job, and worker output rises! 4-way adjustable back enables individual to move backrest up, down, backward, forward so it correctly supports small of back. Telescoping legs, adjustable at 1" increments, keep the worker at right height for the bench and job.

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SEND FOR FREE COMPLETE INDUSTRIAL SEATING CATALOG #7001

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Strategic Stockpile—How It Can Affect Prices

Uncle Sam's Huge Hoard of Materials, Now Valued At \$8 Billion, May Be in For Some Changes Soon

As 1959 drew to a close, many P.A.'s were pondering the question: What is going to happen to materials prices? Part of the answer may lie in future government stockpiling policies. To help the P.A. understand the impact of stockpiling on key material price trends, PURCHASING WEEK's Washington newsbureau has compiled the following report.

Washington—No purchasing executive can hope to have a complete grasp of materials price trends unless he is familiar with the operation of the government's so-called Strategic Materials Stockpiles. Fluctuations in the government's stockpiling policies can deeply affect the price structure of materials. When, for example, in May 1959, the Office of Civil and Defense Mobilization briefly toyed with the idea of disposing of 128,000 tons of copper from the Defense Production Act stockpile, the price of copper tumbled as much as 4¢ lb on the London Metal Exchange.

OCDM did an about-face shortly thereafter. Had the agency gone ahead with its plans, an entirely new formula of material price analysis would have been needed for such products as small motors, turbines, and electric wiring.

Standing Reminder

No matter how well the purchasing agent assesses the forces that determine the price structure, there is still the vast stack of strategic materials and fuels—sprawling over an estimated 60 million sq. ft. of warehouse space—that stands as a reminder that material prices are often unpredictable.

That is not to say that materials are going to be dumped. The government has consistently reassured the mining industry that it will not dispose of five-year stocks in a "disruptive" manner. But just a year ago, reports began to circulate that stockpiles were overstocked by \$1.8 billion.

These reports were sparked by the Pentagon's admission that government stockpiling now should be based on expectation of a three-year war, instead of five years, as formerly. (Privately, some military men were saying that an all-out war would be a matter of days—or weeks—and what is needed is not strategic materials so much as medical supplies, clothing, and goods for civilian rehabilitation.)

In the next few weeks, the whole issue of stockpiling will be raised anew on Capitol Hill. Senators from the Western states, probably led by James Murray (D., Mont.), will stump for a national minerals policy on domestic nonferrous metals.

Pressure also will be applied to sell off about half the \$8 billion materials hoard. Starting with copper, the OCDM will seek congressional authority for more freedom to dispose of supplies no longer considered pertinent to defense needs.

It is unlikely, however, that there will be any basic policy change. The present law requires OCDM to get congressional authorization to dispose of any ma-

terial in the National Stockpile, or the Supplementary Stockpile. OCDM doesn't need authority from Congress to sell from a third stockpile—the so-called Defense Production Act Inventory.

For bookkeeping purposes, Uncle Sam views his stockpile as having five distinct parts:

1. The National Stockpile; 2. The

Supplemental Stockpile; 3. The DPA Stockpile; 4. The Special Tin Stockpile; and 5. The Department of the Interior's Commodity Stockpile.

What OCDM now wants is a new law setting up a national materials reserve inventory, into which would be put all the items now in the Supplemental Stockpile and Defense Production Act Inventory, plus about half the materials in The National Stockpile. From this new inventory, the Administration could then sell off what it wanted, provided only

that Congress was notified and that domestic or international markets were not disrupted.

As of now, the GSA is authorized to sell over the next 10 years, and it may gradually unload as much as 125,000 tons of copper from the DPA inventory with tacit congressional approval. Even the mining bloc on Capitol Hill has now resigned itself to some disposal.

The three major stockpiles stack up something like this on the eve of the reconvening of Congress:

1. The National Stockpile.
Basic objectives, or the three-year goals for 63 commodities are filled. Maximum objectives, or the old five-year goals of 50 items are filled, including the basic items of aluminum, copper, lead, nickel, rubber, zinc.

The total number of items has been cut from 75 to 73. The 10 items that have not yet been brought up to three-year goals are asbestos, Jamaica bauxite, abaca and sisal cordage fibers, small diamond dies, jewel bearings, chemical grade manganese, palladium, selenium, and crude silicic carbide.

The only items on the purchase list for this year are asbestos,

NOW—a new customer-oriented



SIX ANNOUNCEMENTS OF MAJOR IMPORTANCE TO USERS AND MANUFACTURERS OF ABRASIVE PRODUCTS

1 A new, major U.S. supplier—Engelhard Industries, Inc. announces the establishment of its Industrial Diamond Division—dedicated to the single objective of providing a full complement of technical sales services to purchasers and users of natural industrial diamonds. In addition to technical aids, extensive U. S. inventories, research capability and purchasing assistance, Field Representatives offer their services from offices in Boston, Chicago, Cleveland, Detroit, Los Angeles, Newark, New York City and Philadelphia.

2 In-plant technical assistance—This new customer-oriented business is fully prepared to assist you with your abrasives problems. From their locations in key metalworking center, the Industrial Diamond Division's Field Engineers with their training and experience in your kind of tool room and production work are readily available. This "industrial diamond task force" gives in-plant assistance whenever, wherever needed.

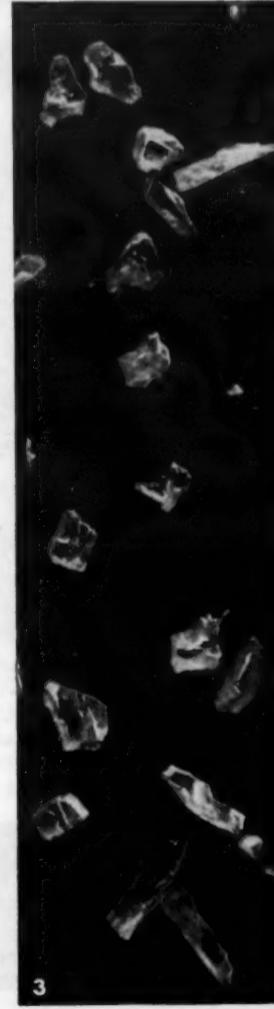
3 A new grit for increased wheel life—Performance in the range of 30% longer life for natural diamond resinoid-bonded grinding wheels is made possible by new "SND" (Selected Natural Diamonds) grit. This dramatic development permits constant exposure of only the optimum cutting surfaces in the wheel, and prevents the grit from being prematurely forced out of the bond. Ask your grinding wheel representative about SND-

Resinoid natural diamond wheels, or write direct to Engelhard Industries for details.

4 'Diamond Tech Lab'—Experienced metallurgical engineers, tooling and abrasive experts and other specialists staff the newly-formed Diamond Technology Laboratory—a customer service facility in Newark, N. J. Created to solve technical problems in the application of industrial diamonds, the "Diamond Tech Lab" is cooperating with diamond wheel and tool manufacturers, as well as with the end-user of industrial diamond products.

5 'Off-the-shelf' availability—Engelhard Industries stocks natural diamonds in a complete range of sizes and shapes, in quantities to continually satisfy the needs of American industry. These stocks include fragmented boart, grit (standard, SND-treated or untreated) and larger industrial stones for setting and drilling applications. These stocks will greatly reduce inventory investments, cut delivery cycles and expedite the purchase of industrial diamonds.

6 Technical information service—The Industrial Diamond Division provides a new and complete technical information service to help keep you abreast of the latest developments in diamond products and applications. These new Technical Bulletins will be sent to you without obligation. Send us your name, title and company address and we will place your name on our mailing list.



diamond dies and jewel bearings.

Total dollar value of this stockpile is \$3.88 billion. Items stockpiled on a three-year basis totaled \$2.47 billion of \$2.52 billion needed, leaving only \$50 million short. Of items on a five-year basis, only \$220 million remains to be filled out of a total of \$1.6 billion. With the addition of this amount the value of the stockpile would rise to a grand total of \$4.15 billion. Outstanding commitments total \$24.7 million, primarily for aluminum and some nickel the government agreed to buy.

2. The Defense Production Act Inventory.

The DPA Inventory total

dollar value is now \$1.37 billion, including the following dollar amounts of basic metals (these figures are not secret, while National Stockpile figures are):

Aluminum, 680,000 short tons worth \$345 million; copper, 136,000 short tons worth \$75 million; and lead, 7,400 short tons worth \$2.8 million.

Obligated under existing contracts, including the so-called "put clauses" which enable producers to require government purchase from plants that got government financial help—\$808 million.

3. The Supplemental Stockpile.

This is now valued at about

\$845 million. The total must be estimated because some barter deals prior to 1954 went into the National, rather than the Supplemental, stockpile.

There is no statutory limit on barter, but the government hopes to hold it to between \$100-\$150 million a year. The items for which farm crop surpluses may be bartered are included in the following list:

Antimony, Jamaican and refractory bauxite, hand-cobbed beryl, bismuth, refractory chrome, columbite, metallurgical fluorspar, mica (muscovite block, film, and splittings), nickel, silicon carbide, tantalite, tin, and zinc.

NAPA Local Chapters Like What They See in Vasco Films, Presentations

Kansas City, Mo.—Members of the NAPA Value Analysis Standardization Committee report greatly improved Vasco activities among local associations.

At the committee's mid-year meeting here, Harlan Eastman, District 1 chairman said Districts 1, 2, 3, 5, and 9 had reported 100% of their locals active in Vasco presentations.

The most important contribution to the increased activities, Eastman states, were the District

Workshops, in which all districts participated 100%.

George Cumming, vice-chairman of District 1, and Vasco program chairman for the upcoming NAPA convention in Los Angeles, outlined the type of program being developed for the annual meeting.

While declining to reveal complete details of the program, Cumming said the 45-minute program "will leave members both chuckling and with the message indelibly imprinted upon their minds."

E. Phil Kron, committee vice-chairman, told members of the success of the Vasco film strip, "Value Analysis-Standardization—The Open Door to Increased Profits."

Since its premier at the June, 1959, convention, 145 prints have been made, Kron declared, and 77 of these have been sold. Over 70 rentals of the strip have been recorded and the demand for purchase and rentals continues strong, Kron added.

Kron said the success of the new Vasco film has influenced a revival in requests for the older movie "Cost Reduction Through More Effective Buying." In addition, Kron continued, several new visual aid projects are currently being prepared, some of which will be announced in the near future.

Bill Pierce, Value Analysis Development chairman, reported on the progress of the new Manual on Value Analysis, on which his committee is working.

This project, Pierce predicted, should proceed rapidly toward completion now that the Manual's content outline has been approved.

Other speakers at the Vasco meeting included Duncan Gregg who outlined the aims and policies which would guide the Standardization Development work.

Gregg, who is chairman of Standardization Development, was present at the meeting for the first time along with two other new Vasco members, James E. Clark, District 7 Vasco chairman, and Wilbur L. Betz, who holds the same post in District 6.

U.S. Grants 10% Boost in Alaska Water Rates

Washington — The Federal Maritime Board has allowed a 10% increase in water freight rates to Alaska to go into effect on a conditional basis.

The State of Alaska and the General Services Administration had requested the board to suspend the higher rates which were asked by the Pacific Coast-Alaska Freight Conference and the Coastwise Line on the grounds of increased operating costs.

But a spokesman for the maritime agency said the decision to permit the increases is subject to two conditions:

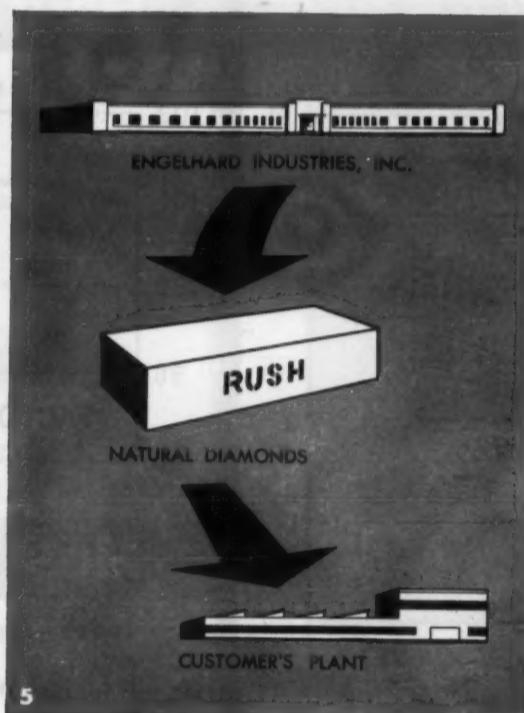
1. That the carriers agree to refund to shippers any part of the increase which may be found to be unjust or unreasonable.

2. That the carriers be prohibited from filing any changes in rates without special permission of the board, barring the outcome of the investigation.

U.S. source for natural diamonds



4



5

ABOUT ENGELHARD INDUSTRIES...

Started in 1889, Engelhard Industries, Inc. is a major American industrial complex serving the world from offices in Newark, N.J.

Although it is perhaps best recognized in the precious metals field, the Engelhard group produces diverse products for virtually all industries, including metal products manufacturing, iron and steel, aircraft and missiles, electronics, nucleonics, chemical and petroleum production.

Engelhard Industries' technical interest in the uses of industrial diamonds has developed from its own production testing and engineering investigation to its present widespread activity at the basic research and application levels.

Today, through its new Industrial Diamond Division, Engelhard Industries has combined its experience and facilities in the field of natural diamonds to supply and service the specific requirements of U.S. industry.

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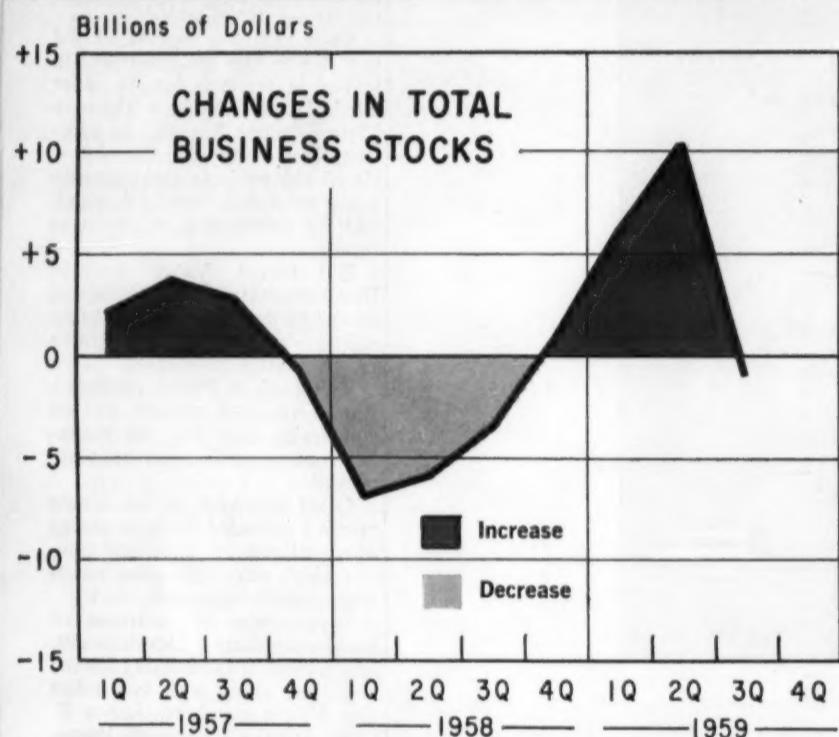
DOMESTIC DIVISIONS: AMERICAN PLATINUM & SILVER DIVISION • AMERSIL QUARTZ DIVISION • BAKER CONTACT DIVISION • BAKER DENTAL DIVISION • BAKER SETTING DIVISION • BAKER PLATINUM DIVISION • CHEMICAL DIVISION • EAST NEWARK INDUSTRIAL CENTER • HANOVIA LAMP DIVISION • HANOVIA LIQUID GOLD DIVISION • INDUSTRIAL DIAMOND DIVISION • INSTRUMENTS AND SYSTEMS DIVISION • IRVINGTON-BAKER REFINING DIVISION • D. E. MAKEPEACE DIVISION • NATIONAL ELECTRIC INSTRUMENT DIVISION • RESEARCH AND DEVELOPMENT DIVISION • H. A. WILSON DIVISION • COMPANIES ABROAD: ENGELHARD INDUSTRIES OF CANADA, LTD., TORONTO • ENGELHARD INDUSTRIES OF QUEBEC, LTD., MONTREAL • ENGELHARD INDUSTRIES, LTD., LONDON • ENGELHARD INDUSTRIES A. G., ZURICH • ENGELHARD INDUSTRIES PTY., LTD., VICTORIA • SOCIEDAD SURAMERICANA DE METALES PRECIOSOS S. A., BOGOTA • INDUSTRIE ENGELHARD S. P. A., ROME • ENGELHARD INDUSTRIES OF SOUTHERN AFRICA, LTD., JOHANNESBURG. ASSOCIATED COMPANIES: ACME TIMBER INDUSTRIES LTD. • SOUTH AFRICAN FOREST INVESTMENTS LTD., SOUTH AFRICA • AZOPLATE CORPORATION • NUCLEAR CORP. OF AMERICA, U.S.A.

INVENTORIES

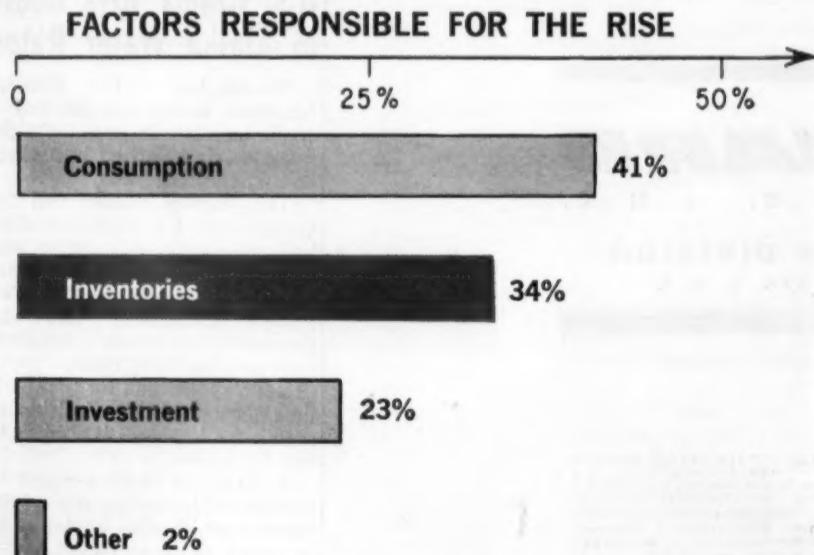
1

BEFORE THE STEEL STRIKE

Inventories were rising



They pushed up activity



More than $\frac{1}{3}$ of the rise in gross national product (GNP) from the third quarter 1958 to the second quarter 1959 can be traced directly to inventory accumulation.

2

DURING THE STRIKE

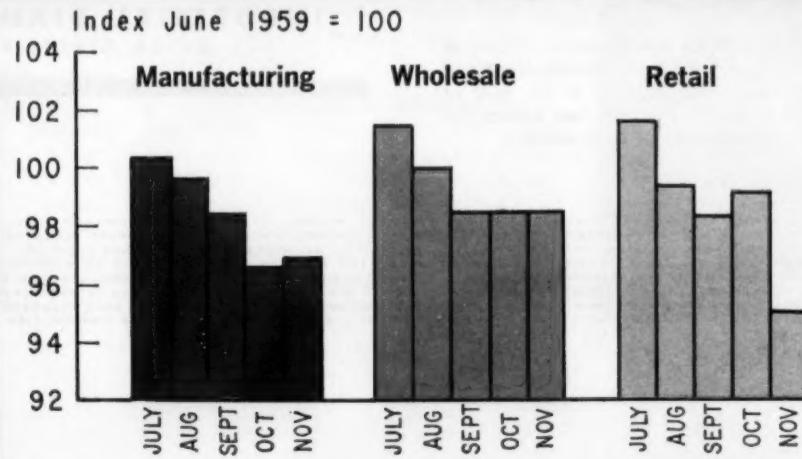
Hard goods stocks dipped



Most of dip: raw materials



But drop hit all levels



RIES:

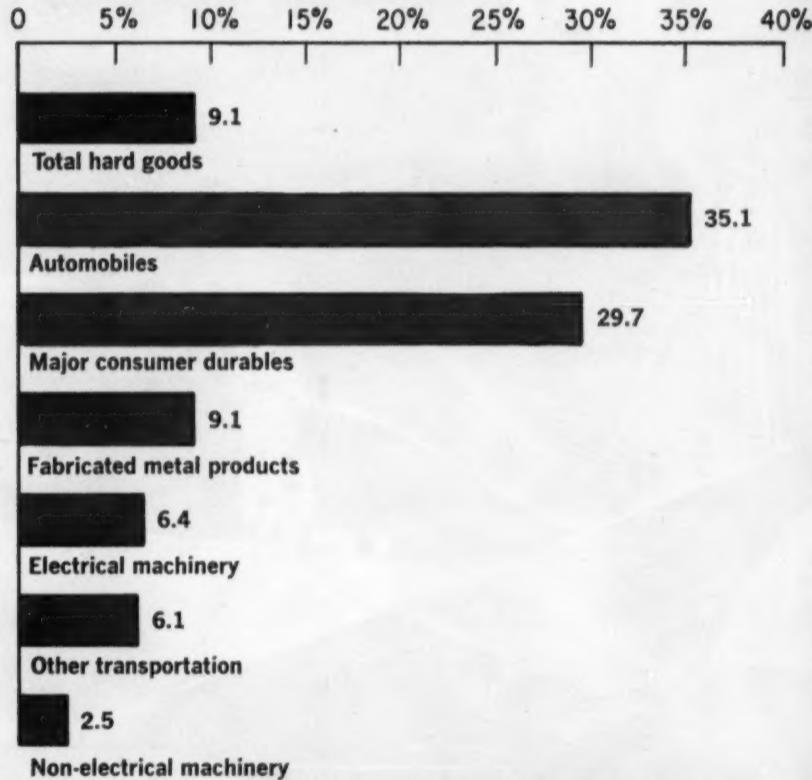
Where they've been
Where they're going
What it means to you

3

WHAT IT MEANT

Impact on your industry

THESE OUTPUT DECLINES FROM PRE-STRIKE PEAKS:



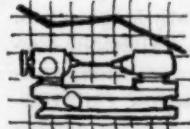
Impact on the economy



WAGES AND SALARIES in commodity-producing industries fell 4.2% from pre-strike peak.



UNEMPLOYMENT RATE rose from 4.9% of labor force to over 6% of the labor force.



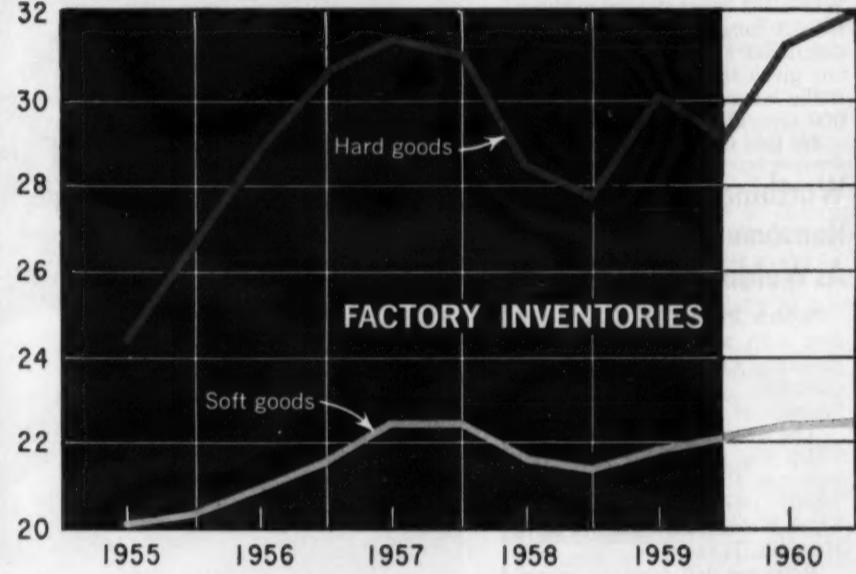
CAPITAL INVESTMENT in the fourth quarter fell 4.1% below earlier estimates.

4

WHAT'S AHEAD

For you: higher stocks

Billions of Dollars



A sharp 9.5% rise in hard goods inventories is foreseen for 1960. A more moderate 1.4% is in the cards for soft goods.

For business: prosperity

Stocks as % of Orders



A relatively low hard goods ratio means incoming business is likely to be met from new output rather than from shelves.

In California, They Search for a Better Way

Los Angeles—Complexity of intrastate freight classification procedures in California has prompted the Los Angeles Chamber of Commerce to establish a special committee to investigate possible streamlining methods.

The western classification is currently in effect on California intrastate traffic and on interstate traffic to several western states. In other cases the uniform classification applies. It is felt that the chief problems associated with the western classification system are:

- It contains far too numerous exceptions.
- Railroads have expressed a desire to cancel it, which would leave California without a basis for its intrastate minimum rates.

• Changes made by the western classification committee in Chicago are adopted in California only after extensive and involved hearings by the State Public Utility Commission.

Vince Vordelon, assistant manager of the Chamber's transportation department, told PURCHASING WEEK that under present methods it is a long and costly task to determine an applicable rate on any given shipment. He cited a traffic bureau that has some 13,000 separate tariffs on file.

He said that the expressed aim

Worthington Corp. Sells, Ransome Co. Re-emerges As Welding Device Maker

Scotch Plains, N. J.—A new firm with a 110-year-old name Ransome Co.—has acquired the complete welding positioner business of Worthington Corp.

The re-emerged Ransome Co., which was purchased by Worthington in 1943, will operate as a wholly owned division of Big Three Welding Equipment Co., of Houston, Texas.

Ransome will continue manufacture of its standard line of welding positioners, turning rolls, and welding head manipulators in its present site here while a new plant is being built.

A Ransome spokesman said his company also intends to expand into the field of machine tools for automation welding. Meanwhile, he added, Worthington has agreed to bow out of the sales and manufacturing end of the welding business as a result of the deal.

Bethlehem Completes Its Expansion of Pump Plant

Tulsa—Bethlehem Steel Co. has completed expansion of its Supply Division pump plant here to include facilities for production of duplex and triplex general purpose pumps.

Initial shipments of the new line, which will augment current production of the Bethlehem oil well pumping unit, are already underway, a company spokesman said.

To manufacture the duplex and triplex pumps, which are used in secondary recovery operations and salt water disposal, Bethlehem has had to install new machine tools as well as expand the capacities of their foundry, machine shop and assembly shop, the spokesman said.

of the special committee will be "to afford ample consideration and study as to a proper classification publication for application to shipments moving intrastate in California. And we want consideration of methods to assure rapid and punctual changes in present and future classifications, ratings, rules, regulations, and charges."

Among the possible avenues the committee may study are:

1. Refinement of the western classification.
2. Adoption of the uniform

classification (which also has the disadvantage of numerous exceptions by commodity).

3. Suggestion of a completely new classification (ideally one that would contain no exceptions).

4. Recommendation of further study by a statewide committee.

Whether or not the committee's efforts lead to an improvement remains to be seen. However, if they are successful in even a small way, savings could result for carriers, shippers and receivers.

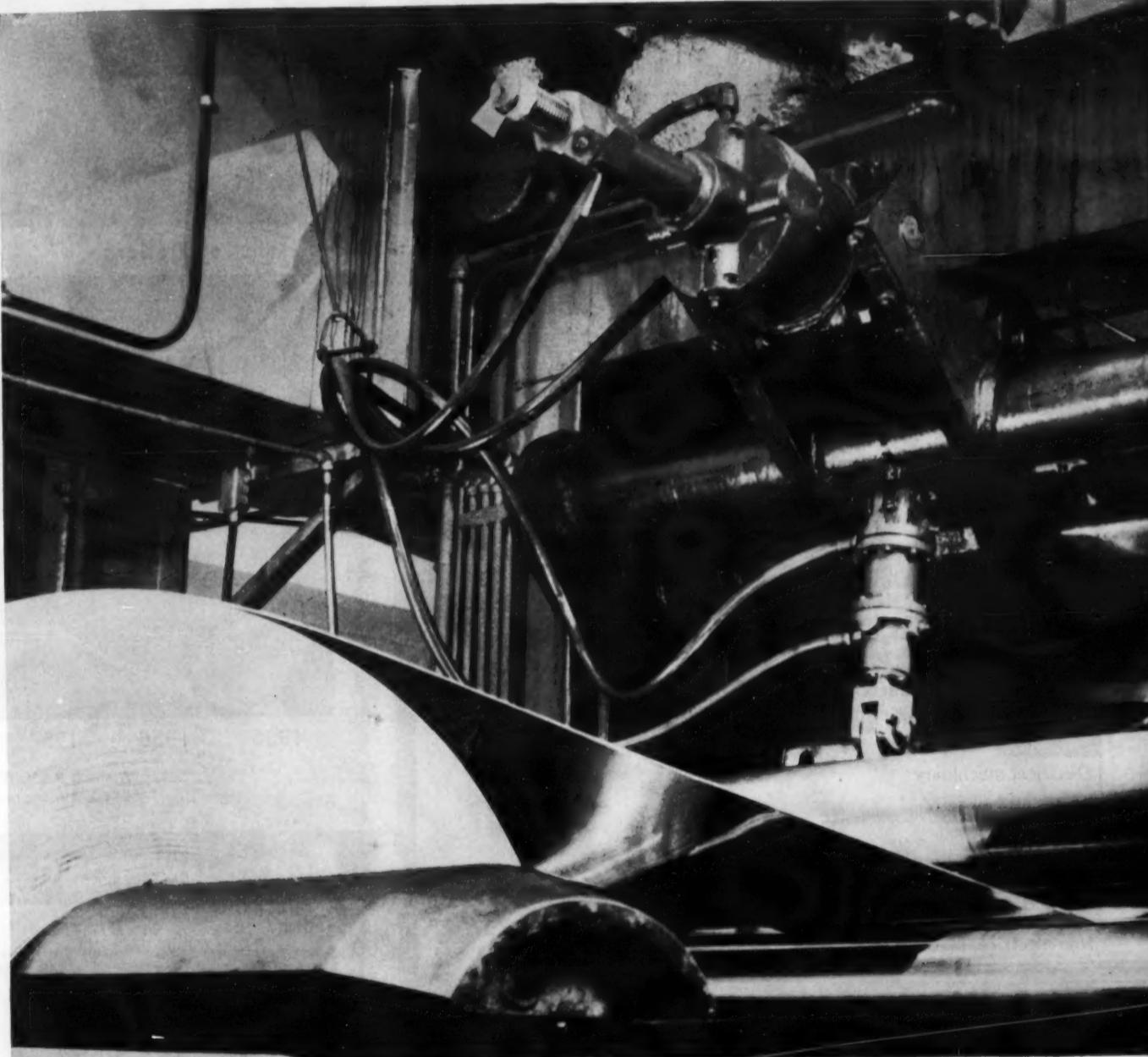
General Electric Slices Prices On Silicon Rectifiers for Fifth Time

New York—General Electric Co. has cut prices on silicon controlled rectifiers by 20% to 40% it was announced this week by company spokesmen.

The new unit prices will range from \$14 to \$114 on production quantities to original equipment manufacturers, a GE spokesman said.

The price drop, he said, is the fifth round of reductions since the product was introduced in 1958, and is the result of improved production line methods.

"Production-cost savings," he stated, "will continue to be passed along to customers in order to broaden the use of silicon controlled rectifiers."



Custom rolling sheet aluminum at Sheet Aluminum Corporation, Jackson, Michigan. All hydraulic systems in the plant are filled with Gulf Harmony oil. Photo shows processed aluminum being wound on tension reel at delivery end of mill.

Cut costs with versatile Gulf Harmony® for plant lubrication

GULF MAKES THINGS

Using numerous special purpose lubricants? Here's relief. You can meet virtually every oil requirement in your plant—including fluid power for hydraulic systems—with Gulf Harmony.

In central lubricating systems, hydraulic systems, in the lubrication of dryer roll bearings, air compressors, blowers, machine tools, electric motors and a host of other applications—Gulf Harmony can save you money and simplify your oil problems.

The unusually high oxidation resistance of Gulf Harmony assures longer life—for both machine and lubricant—and freedom from harmful sludge deposits.

In addition, Gulf Harmony maintains its original viscosity and color stability for exceptionally long periods.

A patented anti-foam agent in Gulf Harmony prevents objectionable foaming. And there is a strong anti-corrosion additive that protects against rust. Gulf Harmony oil performs remarkably well in bearings exposed

Washington State Moves to Standardize Buying

Seattle, Wash.—Creation of a committee representing all county departments to standardize purchases of the various departments was recommended to the Board of King County Commissioners by a consulting firm.

The report followed a survey conducted by the firm, John A. Donahoe & Associates, Baltimore, Md., at the direction of the board.

The county purchasing agent now buys for all departments except the hospital system, but standards are established by the individual departments.

"In the absence of standardiza-

tion, there is a tendency for the individual tastes of many to prevail in the procurement of commodities," the report stated.

As an example, "several kinds of ball-point pens, carbon paper and typewriter ribbons are stocked," said the report. "The different kinds of these items can and should be materially reduced. If there are individuals having definite and strong personal tastes for other than the standard county supplies, they may wish to furnish their own supplies at personal expense."

Standardization also would

eliminate a present practice under which "at times, departments have preferred to accept bids at prices higher than the lower bid, and against the advice and better judgment of the Purchasing Agent," the report pointed out.

Other recommendations called for reducing the 15,000 annual purchase orders from five copies each to four, transferring of excess county supplies to the purchasing agent for distribution to other departments, and changing the state law to permit the county purchasing agent to buy for the county hospital system.

Aluminum Siders Cooperate with FTC In Move to Put a Lid on Sleazy Ads

Four Industry Trade Associations Join Forces In Move to Rid Markets of Fraudulent Claims

Washington—Four large industrial trade associations are supporting a move to quash fraudulent advertising and similar practices in the aluminum siding industry.

The Federal Trade Commission is expected to meet shortly with representatives of the industry to establish a fair practices code. No date has been set.

The aluminum siding industry itself is carrying the ball in the clean-up drive. Chief supporters are the National Paint, Varnish, & Lacquer Assn.; National Established Roofing, Siding, & Insulating Contractors' Assn.; and The Aluminum Assn.

The Aluminum Siding group hopes to bring to light certain practices known to them, including fraudulent advertising and labeling and other practices which tend toward unfair business competition.

Will Be Mandatory

Whatever rules and regulations are adopted by the FTC as a result of industry suggestions will be mandatory on all industries, an official source said.

While aluminum siding manufacturers are spotlighted in the current move, other associations have also set out to warn their members against similar practices.

Oppose Exaggeration

The paint, varnish, and lacquer group recently adopted a resolution opposing exaggerated claims for the life of paint or chemical coatings produced by members of the association for application by manufacturers, processors, and others to their products at point of manufacture.

Minita Westcott, executive director of The Aluminum Siding Assn., said its members were "fully aware of the exaggerated advertising claims and other questionable practices."

She said the group was giving serious consideration to a resolution patterned after the paint association to combat the mal-practices of the few.

Ex-Notre Dame Football Great Tells P.A.'s His Formula for Firm Success

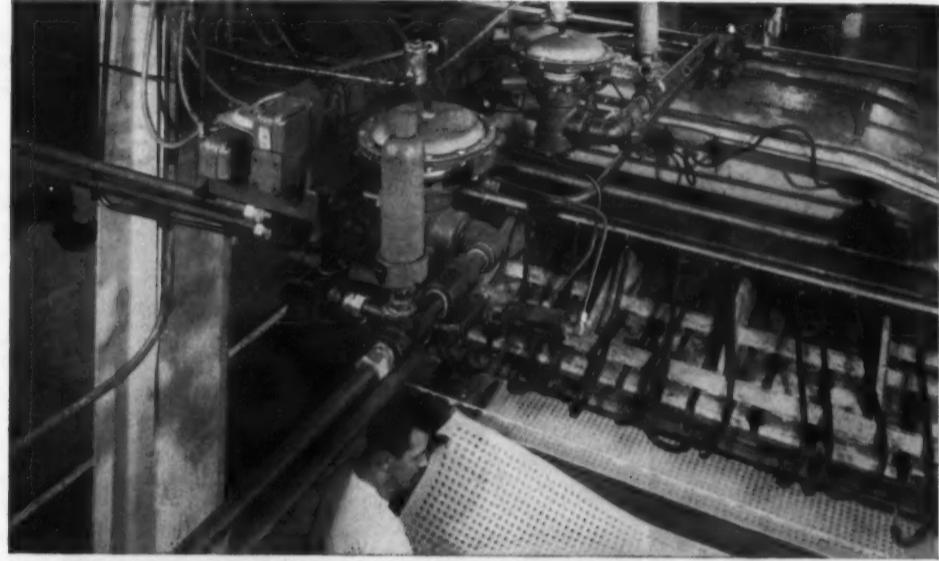
Wilmington, Del.—Harry Stuhldreher, one of football's "Four Horsemen" at Notre Dame in the early 1920's, gave buyers this secret of success at the Jan. 4 meeting of the Purchasing Agents Association of Wilmington:

"First of all," said Stuhldreher, now assistant to the vice-president at U.S. Steel, "to be a success in sports or business, you've got to be humble. Secondly, you've got to be honest, and, thirdly, you've got to be hungry."

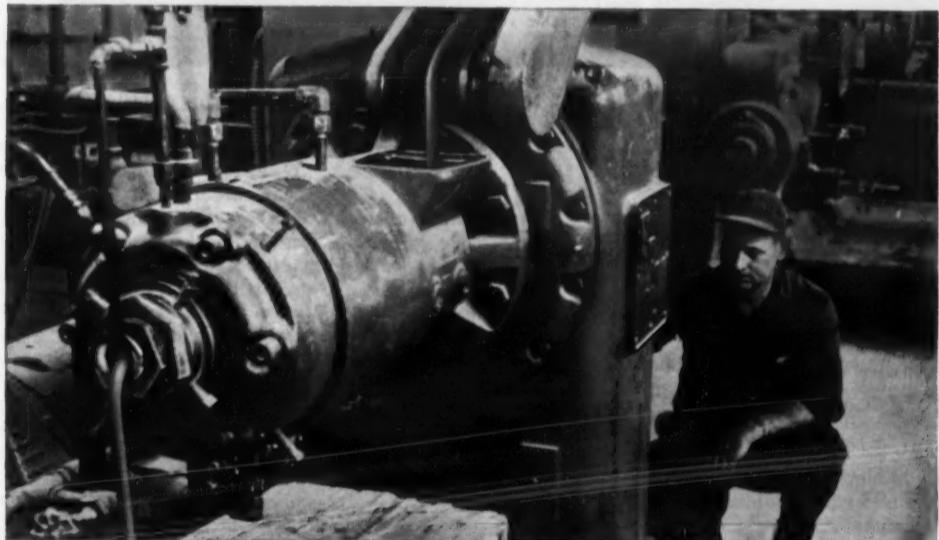
More Time for Youth

The former Notre Dame great also urged P.A.'s to devote as much time as possible to the advancement of junior achievement programs.

"Guiding the younger generation through the trying years of adolescence is a real challenge," he declared. "Give the young people correct guidance, set a good example, and we'll never have to worry about young Americans getting out of line," he concluded.



Moulding Texfoam mattresses at the B. F. Goodrich Sponge Products Division, Shelton, Connecticut. Here, through hydraulic equipment as shown in upper foreground, Gulf Harmony supplies fluid power for 125 moulding presses.



Extruding rubber hose at Swan Rubber Company, Bucyrus, Ohio, world's largest producer of garden hose. The many precision gears in the speed reduction units of the extruder shown here operate in a bath of Gulf Harmony oil.

and hydraulic systems . . . see how

RUN BETTER!

to high ambient temperatures and humid atmospheres. You name the application—and your Gulf Sales Engineer will gladly recommend the proper grade of Gulf Harmony. He'll also show you how this versatile oil can help cut your maintenance costs and simplify your lubricant storage and handling.

If you have a lubrication problem at your plant, we invite you to see how Gulf makes things run better. Just mail your nearest Gulf office, or mail the coupon.

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Please send latest illustrated bulletin on Gulf Harmony.

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PURCHASING MEANS profits, Rheem Vice President of Purchasing G. J. Papas (right) tells other mem-

bers of Rheem's management team. Left to right, they include C. H. Eifert, R. L. Mitsch, C. V. Coons.

How Rheem Mfg. Makes Come Through With On Purchasing Executives To Boost Buying Profit,

New York—Buyers at Rheem Mfg. Co.'s 17 plants are now using a new Costing Guide as a tool to aid them in uncovering and analyzing vendor costs. The new form, according to Vice President, Purchasing George Papas, is designed to serve two functions:

1. It checks price quotations made in answer to an inquiry.
2. It provides a tool for getting cost reductions through value analysis.

When instructing buyers in the use of the Costing Guide at meetings, Papas breaks down the form into its four basic parts: General Information; Raw Ma-



PURCHASING CHIEF Papas makes the point that clear analysis of costs is way to boost profits.

terial Cost Analysis; Cost Summary; and Suggestions for Reducing Costs.

General Information

This section requires little explanation. Under "item description," the buyer describes the part using the same wording as on the actual price inquiry. Whenever possible, he attaches a blueprint.

Raw Material Cost Analysis

In explaining "description" and "buy specifications" Rheem staff men instruct, "it is necessary to learn how the manufacturer proposes to make the part. If possible, learn from the supplier what buying specifications of the raw material are to be."

Data on "purchase price" and "freight cost" for the raw material the supplier uses are gained from direct vendor inquiry, from base and extra books, past quotes, and from the traffic department.

The scrap value to the vendor is deducted from the "subtotal" to get the "net raw material cost."

Cost Summary

To get "direct labor" estimates Rheem advises a visit to the manufacturer's plant. These esti-

SILICONE NEWS from Dow Corning

End Lubrication Failures



You Can Count on Silicone Lubricants where others fail

Lubricants that oxidize, melt, run off or evaporate when exposed to heat . . . stiffen or harden with cold . . . can spell serious trouble in product performance as well as in production processes. You can end your lubrication failures quickly, economically and for keeps by specifying Dow Corning silicone lubricants.

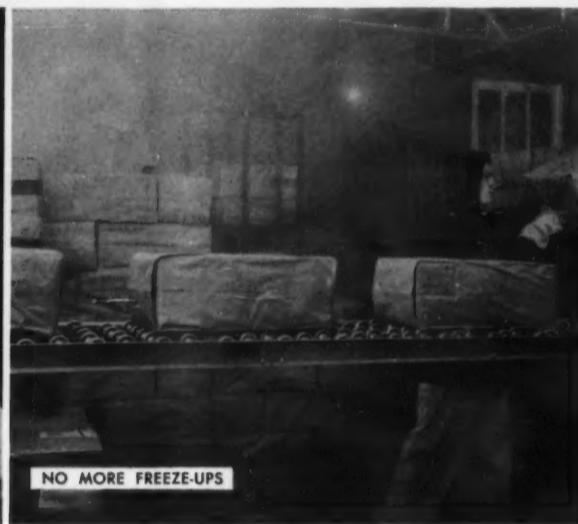
You won't find better lubricants for metal, plastic or rubber parts! And chances are good that silicone lubricants will meet your "special" requirements . . . end the need for stocking a wide variety of special-purpose oils and greases.

Survive Oven Heat—Exposure to elevated temperatures up to 700 F for 2½ hours at a time was the cause of frequent lubrication failures on conveyor systems at Ford Motor Company. Lubricated with even the best organic greases, the trolley and roller bearings, nevertheless, seized and interrupted production.

Ford found a permanent solution in a Dow Corning silicone grease in 1948. Applied once-a-week to the trolley bearings and once-a-month to the roller bearings, the silicone grease has kept these conveyors moving smoothly, efficiently ever since!

No More Freeze-Ups—It's always bitter cold in the ice cream storage rooms of Thayer Dairy, Clare, Michigan. At -40 F, conveyor roller bearings quickly froze tight to their shafts and refused to budge.

The same rollers now turn free and easy since Thayer turned to a Dow Corning silicone grease that holds its viscosity . . . won't stiffen . . . at temperatures down to -100 F!



Longer Shelf Life—Westclox Division of General Time Corporation has found that silicone greases remain effective long after the best organic greases have oxidized or gummed. That's why the company has relied on nonoxidizing, nongumming silicone grease to keep its clocks ready for instant starts even after extended storage. This lubricant is used with equal effectiveness on metal pinions, plastic drive gears and brass sleeve bearings of clocks, timers and instruments.



What's your toughest lubrication problem? Write and tell us. We'll recommend a Dow Corning silicone lubricant that will doubtlessly solve it, and meet other lubrication needs around the plant. For more information, contact the nearest Dow Corning branch office or address Dept. 3601.

Your nearest Dow Corning office is the number one source for information and technical service on silicones.



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MIDLAND, MICHIGAN

ATLANTA BOSTON CHICAGO CLEVELAND DALLAS LOS ANGELES NEW YORK WASHINGTON, D. C.

British Enjoy a Round of Price Cuts In Chemicals; Range Is From 1-10%

Chlorine, Methylene Chloride, Cereclor, Urea Included on List of Products That Are Slashed

London—A new round of price cuts, ranging from one to 10%, will save consumers of British-made chemicals several million dollars.

Imperial Chemical Industries, Ltd., reduced prices on certain chlorine products, methylene chloride, methyl chloride, sodium persalts, Cereclor (plasticizer trade name), urea, and methanol in certain containers. These, plus reductions announced last month, mean a saving of some \$5.6 million per year to the consumer, ICI says.

Shell Chemical dropped prices on its propylene oxide by \$28 a ton (Sample: The 500-gallon bulk price came down from \$576.80 to \$548.80).

Various grades of polyethylene glycol were cut between \$22 and \$30 a ton (Sample: 45-gallon containers in 1-5-ton lots came down from \$632.80 to \$604.80 per ton).

Other Price Reductions

Other price reductions are in melamine, by British Oxygen Chemicals; industrial grades of alcohol, by Distillers Co.; and polyethylene glycol, by Union Carbide Ltd. (which soon will be manufacturing polyethylene glycols in the U.K.).

The price trend was not all downward, however. ICI also announced small rises, because of increased prices in raw material imports, for chlorobenzene, Allopren (trade name for a synthetic rubber), aluminum chloride, and pentaerythritol. But the total of the increases amount to less than \$168,000, according to ICI.

In Great Britain Statistics Show Upswing in Tools

London—British Machine Tool Trades statistics indicate a sharp upswing in both home and export orders. The association reports total new orders received in September were valued at \$28.6 million, compared with \$16.3 million the previous month.

While the order rise is mainly the result of a booming automobile industry, the figures indicate British industry in general is showing greater confidence in the economic future.

Consolidated Mining, Smelting Sets to Grow

Warfield, B. C.—Consolidated Mining and Smelting Co. of Canada, Ltd. is expanding its chemical fertilizer complex with the construction of a new \$2.6 million alkali-chlorine plant here.

The facility, expected to be completed sometime this fall, will supply liquid chlorine and caustic soda for pulp manufacture and also produce potassium hydroxide for its own use.

British Steel Output Should Soar to a Peak

London—British steel production should climb to a new high in 1960, according to the Iron and Steel Federation.

The output of crude steel during the year, says the Federation, will be about 24 million long tons, compared with an estimated 20 million tons in 1959.

Power Equipment Firms Move to Cut India Tags

New Delhi—U. S. suppliers are offering to cut power equipment export prices to India it was reported here recently.

Looking at the \$150 million credit granted to India by the Export-Import Bank last year, U. S. power equipment makers feel that their prices must be more competitive to gain a greater share of this equipment business from India.

Recently, quoted prices on comparable German equipment have been up to 90% lower than U. S. prices.

France Slackens Her Restrictions On Autos, Pumps, and Whiskey, Too

Paris—In an expected year-end gesture, the French government liberalized its quota restrictions with its Western allies another 9%.

This latest move, which brings to 90% the number of trade items off the quota list, affects French business with the United States, Canada, and member nations of the Organization for European Economic Cooperation.

Involved in the quota relaxa-

tion are some 1,200 items ranging from whiskey to private autos. Included in the list are trucks, tractors, gasoline engines, harvesters, some machine tools, aircraft tires, road building equipment, liquid pumps, and some appliances.

The French government declared it expects to eliminate all quota restrictions by 1961, although tariff barriers will continue to be maintained by the French.

EXCLUSIVE WEATHER LIFEGUARD™ ARC TUBES YOUR BEST BUY IN MERCURY LAMPS!

By any standard of comparison, new Westinghouse "Lifeguard" mercury lamps are the most economical choice for industrial, street, and parking lot lighting. The exclusive Westinghouse "Lifeguard" arc tubes in these lamps save you money by maintaining high initial light output longer. And, they make possible lower-cost new lighting installations.

In addition to getting more light per dollar, you save on labor and maintenance costs, too, with less frequent lamp changing. And "Lifeguard" lamps are made with famous Westinghouse "Weather Duty" bulb construction for resistance to thermal shock, moisture and all industrial fumes. New Westinghouse "Weather Duty" lamps with "Lifeguard" arc tubes are interchangeable with other types of the same wattage. Make the change today. Contact your authorized Westinghouse lamp agent or nearest Westinghouse sales office.

To Keep Prices Level, Timken Bets \$61 Million



NO HANDS handling of outgoing roller-bearing orders plays a large part in Timken's drive to stabilize its prices through 'Bucyrus' Plan.'

Company Pushes Its 'Bucyrus Concept' to Other Plants in an Effort to Boost Output, Cut Costs

Canton, O.—In an all-out drive towards price stabilization, Timken Roller Bearing Co. is pushing its "Bucyrus Concept", a program that aims at "Production of standardized bearings at unprecedented rates to get better products at lower costs."

The program, which has already permitted Timken to guarantee its 1960 bearing prices to makers of original equipment, is

part of—\$61 million, seven-year modernization and expansion program that has seen the company:

- Install a \$7½ million automatic production line capable of producing 160,000 AP railroad bearings (20,000 car sets) annually at the Columbus, O., plant.

- Construct a second \$5.2 mil-

lion railroad bearing facility to double the Columbus plant's yearly capacity.

- Build two new warehouses, one for steel in Canton, the other for seamless alloy steel tubing at Gambrinus, O.

- Install an electrode vacuum arc furnace, a 100-ton vertical chucking grinder, and a lubrication laboratory at its Steel & Tube Division here.

- Announce plans for construction and modernization of three office buildings in Canton, Pittsburgh, and Gambrinus, and for a \$3 million modernization of the cup and cone grinding departments in its Canton and Columbus plants.

But the "Bucyrus Concept" is not limited to domestic expansion. Overseas, Timken has already begun operations or expanded facilities in five countries, including Australia, where a plant capable of producing a million bearings a year was completed in 1958.

In France, Timken has started construction on a \$3 million plant in Colmar, to supplement its French Division's other facility in Paris.

In other countries, Timken acquired the assets of British Timken Ltd. last October, announced plans to build a new bearing plant in Sao Paulo, Brazil, and has completed a remodeling job at its St. Thomas, Ont., factory.

Timken hit upon the "Bucyrus Concept" back in 1958 when plans were announced to add new equipment to its highly automated Bucyrus, O., plant, where "bearings are made to a high accuracy without human hands touching the product."

Stretched to Seven

The five-year modernization and expansion program announced at that time has now been stretched into a seven-year plan. Ten million dollars have been added to the original \$51,730,000 fund.

Because of the plan, Timken is now able to guarantee its 1960 prices "in the face of an unsettled price situation hanging over the economy", despite the fact that Timken is negotiating a new contract with the United Steelworkers of America employees.

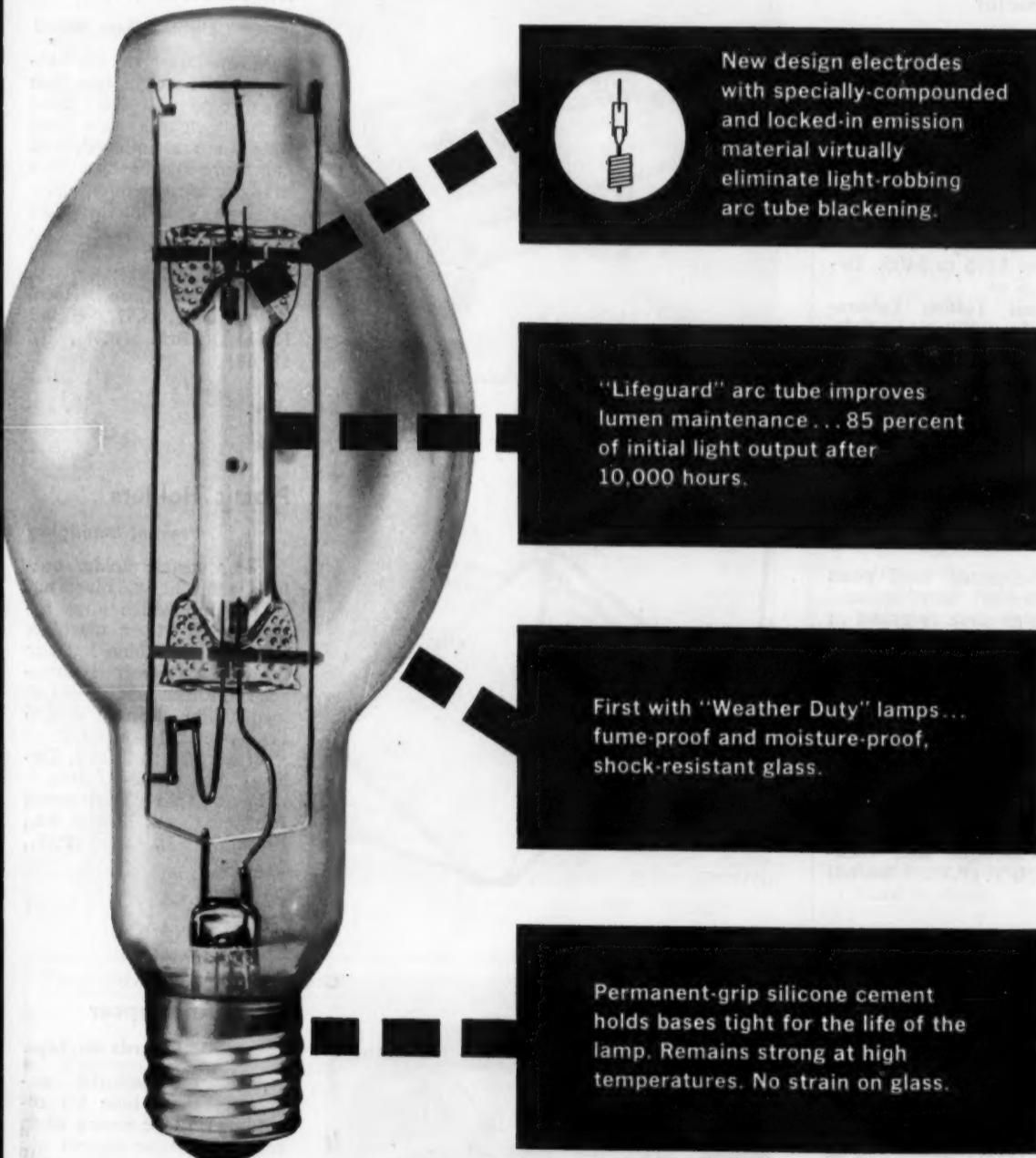
Although company officials decline to reveal full details of plans for the rest of the 1958-1965 program, it is known that Timken will build a \$4.5 million piercing mill in Gambrinus this year.

The new mill will add 30% to the company's total yearly piercing mill tonnage and will enhance Timken's position as a supplier of seamless alloy steel tubing to industry.

Asked if there were any possibilities of a price reduction in the future, a Timken spokesman said, "the company's entire concept in the modernization program has been one to stabilize prices despite the continuing inflationary spiral and increased costs."

The Bucyrus concept to reduce bearing costs to the minimum, plus the fact that 29% of Timken's employees are working in foreign plants, where inflation is taking less of a toll, will go a long way towards insuring the stabilization goal, he said.

DUTY™ LAMPS WITH MAKE WESTINGHOUSE



YOU CAN BE SURE...IF IT'S **Westinghouse**

Westinghouse Lamp Division • Bloomfield, N. J.

Here's your weekly guide to . . .

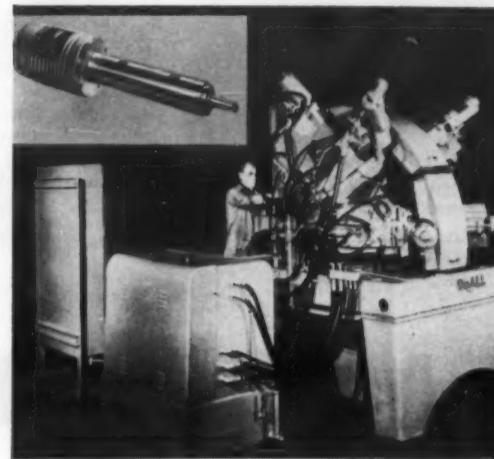


A Dry Adhesive

In Sheet Form

Dry phenolic resin adhesive in sheet form bonds veneers, plastic overlays, or thin metal sheets to wood, metal, or paper. Available in 38, 50, and 62-in. sheet widths. Adhesive requires no glue spreading equipment. Material bonds in hot press. Price: \$8 to \$8.35 per 1,000 sq. ft. Delivery: immediate.

Reichhold Chemicals, Inc.,
523 N. Broadway, White Plains, N. Y. (P.W., 1/18/60)



Rotating Spindles

Bearings Pre-Loaded

Machine tool spindles, belt driven or motorized, have double row of pre-loaded bearings for long, trouble-free life. Motorized spindles operate at 3,450 rpm with 7 or 8-in. wheels. Belt pulley model is capable of 5,000 rpm.

Price: \$600 (belt), \$587 to \$631 (motor). Delivery: immediate.

DoAll Co., 254 N. Laurel Ave., Des Plaines, Ill. (P.W., 1/18/60)



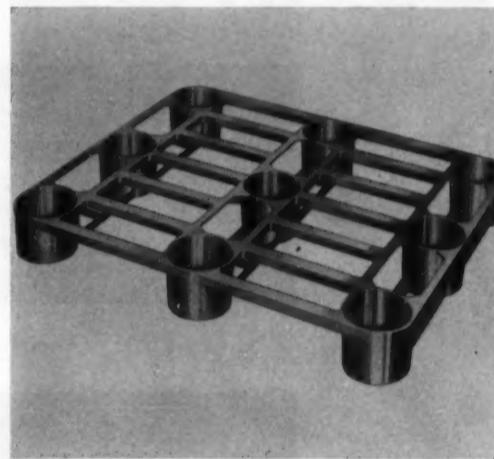
Pyrometer

Measures To 200 F.

Portable, 7-lb pyrometer measures temperatures of liquids, solids, or atmosphere from -40 F. to +200 F. Hand-held sensing devices are used to get the measurement. Unit gives direct readings to nearest $\frac{1}{2}$ deg., with $\pm 1\%$ accuracy.

Price: \$195 to \$405. Delivery: 6 wk.

Illinois Testing Laboratories, Inc., 420 N. La Salle St., Chicago 10, Ill. (P.W., 1/18/60)



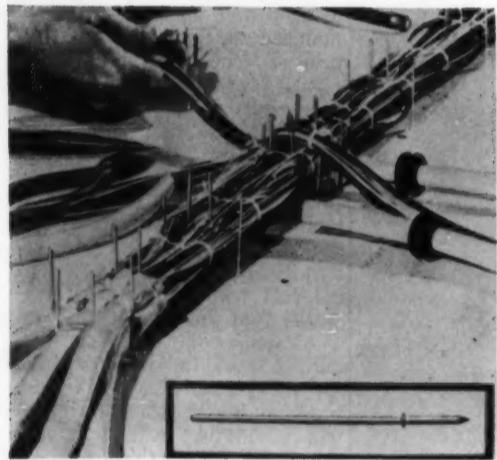
Magnesium Pallet

Lighter Than Wood

Magnesium materials handling pallet weighs less than wood type and has fewer parts. Constant size and weight are maintained, and pallets are easy to store. Also available in aluminum, pallet has 4-way entry in variety of sizes.

Price: \$26.35 ea. in lots of 5,000. Delivery: 4-6 wk.

Mag-Craft Corp., 1958 Wilson Ave. S.W., Grand Rapids, Mich. (P.W., 1/18/60)



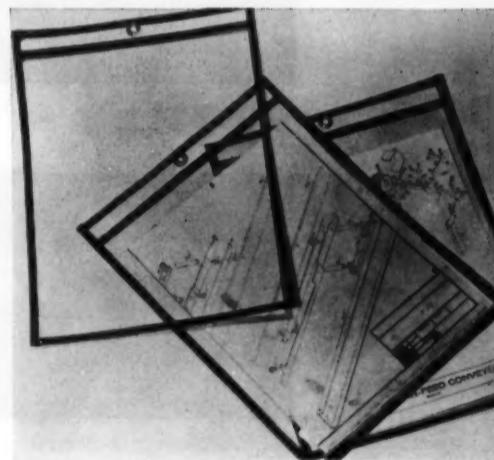
Post Guides

Speed Wiring

Nickel-plated steel posts are driven into harness boards to serve as guides in pre-assembly of wire circuits. Finish prevents damage to insulation and post collar assures uniform driving depth. Usable length varies from $\frac{1}{2}$ to 4 in.

Price: \$2.75 per 100 ($\frac{3}{4}$ x 0.072-in.). Delivery: immediate.

John Hassall, Inc., Dept. TR, Cantiague Rd., Westbury, N. Y. (P.W., 1/18/60)



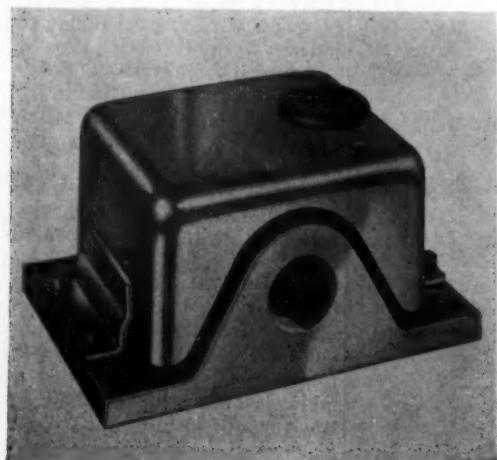
Plastic Holders

Prevent Smudging

Clear acetate holder protects shop ticket, blueprint, or diagram which must accompany part or machine. Fastens to machine by wire through a reinforced grommet. Holder keeps ticket legible and clean in 4 x 6 through 9 x 12-in. sizes.

Price: 10¢ to 24½¢. Delivery: immediate-10 days.

Industrial Transparent Products Corp., 77 Mill Rd., Freeport, L. I. (P.W., 1/18/60)



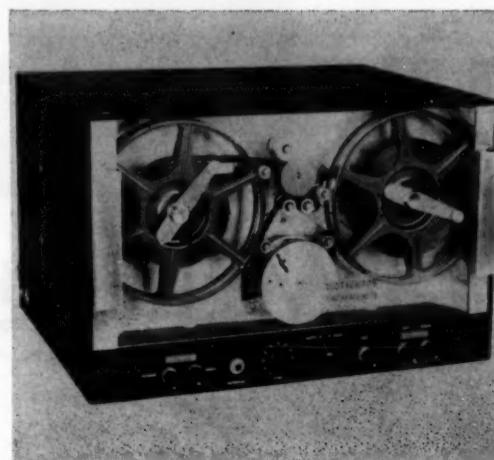
Vibration Detector

Senses Imbalance

Detects vibration caused by failing bearings, broken blades, and other machine malfunctions before complete failure occurs. Switch may be wired to activate alarm or cause machine to shut-down. Is sensitive to increases in frequency as well as amplitude.

Price: \$75 to \$90. Delivery: 2 wk.

Robertshaw-Fulton Controls Co., Santa Ana Free-Way at Euclid Ave., Anaheim, Calif. (P.W., 1/18/60)



Time Announcer

Records on Tape

Unit automatically announces exact time for recording on tape record when remote job-time reports are made to central timekeeping area. Pre-recorded tape in unit announces time in hundredths of hours based on 24-hr clock.

Price: \$1,250. Delivery: 3 mo.

Dictaphone Corp., 730 Third Ave., N. Y. 17, N. Y. (P.W., 1/18/60)

New Products



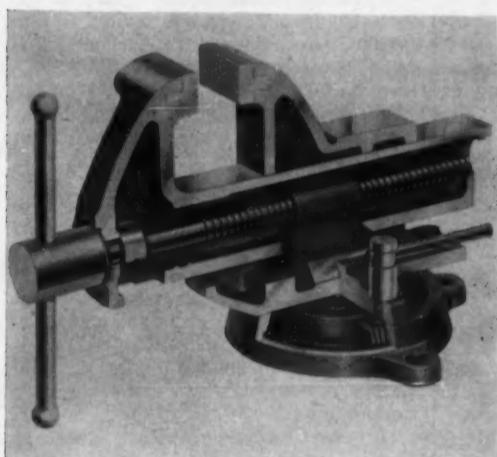
Vacuum Tool

Holds Parts Firmly

Vacuum unit, operating on compressed air line, has plastic tip to pick up and firmly hold parts for inspection or accurate positioning operations. Use of vacuum reduces contamination and provides uniform adjustable pressure.

Price: \$57 to \$66. Delivery: immediate.

Air-Vac Engineering Co., Old Stratford Rd., P.O. Box 27, Shelton, Conn. (P.W., 1/18/60)



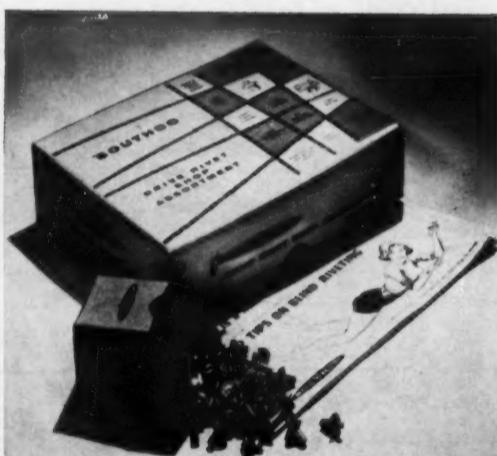
Vises

Unbreakable Castings

Stationary and swivel base vises have guaranteed unbreakable malleable iron castings. Tool steel jaw faces are removable. Available in 7 models varying from 3 to 8-in. face widths.

Price: \$23 to \$238. Delivery: immediate.

Columbian Vise & Mfg. Co., 9023 Bessemer Ave., Cleveland 4, Ohio (P.W., 1/18/60)



Rivet Kit

Only Requires Hammer

Rivets in kit can be driven in wood as well as metal sheets by hammer. Sheets are pulled tightly together by expanding action of rivet which needs no backup plate on reverse side. Kit includes approx. 1,000 $\frac{1}{16}$ and $\frac{1}{4}$ -in. dia. aluminum rivets.

Price: \$39.95. Delivery: immediate.

South Chester Corp., Lester, Pa. (P.W., 1/18/60)

Another PURCHASING WEEK service: Price and delivery data with each product description.

This Week's

Product Perspective

JANUARY 18-24

The plastics industry—never one to do things in a small way—established two new records last year when, for the first time in history, two plastic raw materials broke the coveted “billion pound barrier.” The plastics: polyethylene and vinyl.

Estimated production of either of these plastics exceeds the entire plastic output just 13 years ago—when 994,277,000 lb were produced.

Production for the entire industry was up 25% over '58 to an estimated 5.6 billion lb of raw material (est. by Society of the Plastics Industry). Plastics producers expect to increase facilities 25% this year, but the delay in getting facilities into operation should hold the over-all production gain to about 15%.

Here's where the plastics went in '59:

	1959 Estimated Pounds (In millions)	1958 Actual Pounds (In millions)	Percent Change in 1959
Cellulosics	158,000,000	141,000,000	+12
Phenolics	610,000,000	488,000,000	+20
Polyesters	150,000,000	117,000,000	+28
Polyethylene	1,200,000,000	865,000,000	+38
Polystyrene	910,000,000	763,000,000	+18
Urea and Melamine	400,000,000	349,000,000	+15
Vinyls	1,100,000,000	869,000,000	+26

Industry observers expected polyethylene to top the big mark this year, but the addition of vinyls to the top ranks came as a pleasant surprise.

• • •

• High density (rigid) polyethylene hit a 90 million lb sales volume to set a pace as the country's fastest growing major plastic. It was introduced commercially less than three years ago in '57—a year when some 9 million lb were produced.

Richard KixMiller, president of Celenese Plastics predicts that future use of high density poly in volume markets as containers, toys, housewares and industrial components could keep the material hustling along at its current growth rate. That would bring it close to the billion mark in four years.

Although rigid poly has edged into many consumer markets (including cosmetics and bleaches), liquid detergents have been the real shot-in-the-arm. Eighty per cent of the 500 million units to be produced during '60 are expected to be rigid poly.

Although the detergent gave rigid poly a foothold in consumer packaging, blow molding made it all possible. The process uses air pressure to inflate a heated hollow plastic tube against the sides of a mold, where it cools and hardens. This technique is particularly adaptable to high-density poly, allowing low-cost, uniform-quality mass production of a great variety of sizes and shapes.

• Here's another key to the growing sophistication of the industry: Plastics fabricators are now combining different resins to get varying combinations of physical characteristics, much the way various metals are combined in alloys.

• • •

• The side shield in the 1960 Ford marked the first major auto company use of linear poly. It cut about 30% from cost of the original stamped metal design and reduced car weight.

Ford engineers report that the injection molded side shields lowered tooling costs and increased scuff resistance in addition to saving money. Plastics makers are hopeful that this application may signal the start of the breakthrough they have been predicting for a number of years. Use in cars has been slow—it has gone from ounces to pounds in the past few years, but hasn't even scratched the potential. Present plastics parts are small—dial faces on instrument panels, heating housings, etc.

Stumbling block to more plastics usage has been lack of automated machines to turn out large plastics parts at mass production rates. As one observer sees it, the industry needs a fully automated machine process which converts plastics material into sheets that will move down a line in a continuous operation—the finished part coming off the other end ready for assembling.

• American Motors Plastics Lab says that over 100 lb of plastics parts can be substituted for metal on cars—providing functional improvements and money savings. AM has quadrupled its production of plastics automotive parts in the past four years—sees some volume jobs coming up.

Purchasing Week Definition

Fasteners

Fasteners may be broadly defined as items used for the mechanical joining of materials. Most common are nails, rivets, bolts, nuts, screws, etc.

General-purpose: Those which are highly standardized in dimensions, physical properties, and performance characteristics. They are stock items, manufactured by many companies, and readily available from numerous sources of supply.

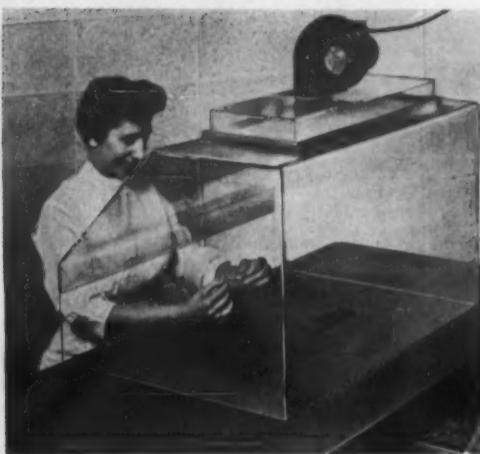
Proprietary: A patented item designed to provide some special feature which would merit its use in an engineering

application. Types falling into this category include locknuts, locking bolts, blind rivets, quick-release fasteners, etc. They are usually standardized by the patent holding company, but sources of supply are limited to licensed manufacturers and distributors.

Special application: Those designed to suit specific engineering requirements for which a general-purpose fastener would not serve. Peculiar application requirements take precedence over dimensional, material, cost, and other considerations. Generally non-stock, they have high obsolescence rate. (P.W., 1/18/60)

Your Guide to New Products

(Continued from page 27)



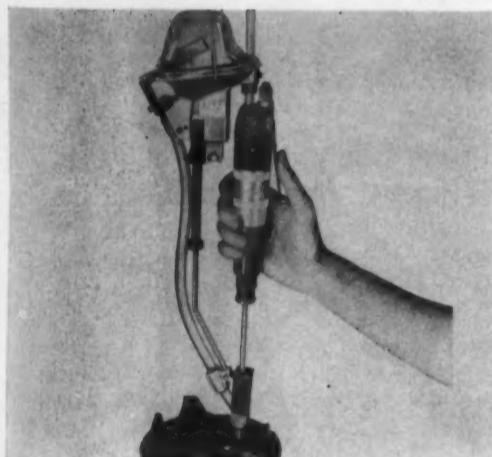
Dust Hood

Filters Room Air

Unit, 34 x 24 x 19 1/4-in., removes airborne dust particles and prevents unfiltered room air from entering work area. Optically-clear, 1/4-in. plastic glass eliminates shadows, rough surfaces, and leakage; 35-lb unit can be tilted or lifted.

Price: From \$285. Delivery: 10 days.

Air Shields, Inc., Hathboro, Pa. (P.W., 1/18/60)



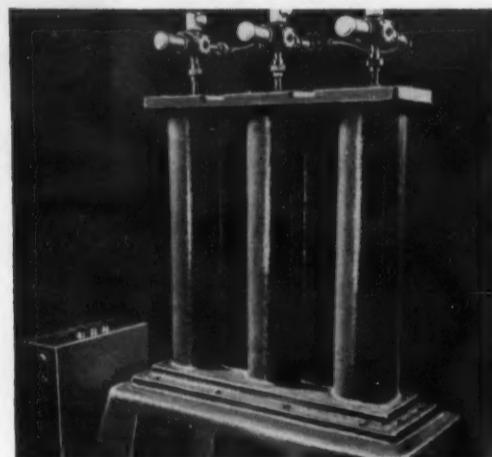
Screw Feeder

Positions Fasteners

Designed for vertical driving operations, feeder eliminates manual screw placement. It is set at factory for specific fastener types. Unit gravity feeds one screw at a time with each driving stroke of electrical or pneumatic tools.

Price: \$285. Delivery: 2-3 wk.

Wales-Strippit, Inc., 231 Buell Rd., Akron, N. Y. (P.W., 1/18/60)



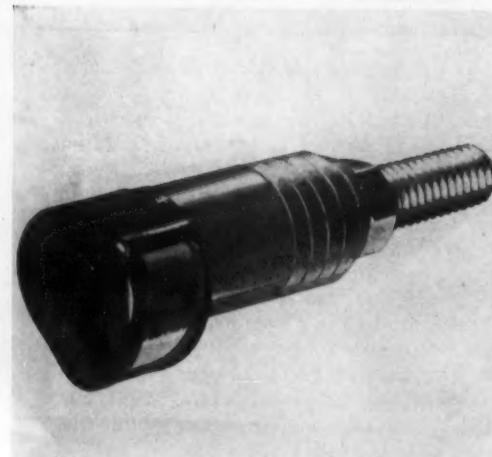
Pump

Uses "Free Piston"

Free piston pump has no motor, driving gear or packing, requires no lubrication. It will move anything that flows and is noiseless and non-pulsating. Compressed air supplies power and unit can handle 100 gpm of water.

Price: \$2,200. Delivery: 8 wk.

Crossley Machine Co., 301 Monmouth St., Trenton, N. J. (P.W., 1/18/60)



Panel Light

Controlled Intensity

Prisms control intensity of light on instrument panels, and areas where subdued, nonglare illumination is required. Available in 6, 12, or 28 v models, 1 1/2-in. long unit reduces eye strain and eliminates light spill-over.

Price: \$4.95. Delivery: immediate.

Glar-Ban Corp., 3807 Harlem Rd., Buffalo 15, N. Y. (P.W., 1/18/60)

Here's What A. S. A. Recommends

No. Size Who's Using It

RECTANGULAR

R-1	24 x 32 in.	Building supply and construction
R-2	32 x 40 in.	British, Defense Dept. (Std.)
R-3	36 x 42 in.	Recommended for boxcars, trailers
R-4	32 x 48 in.	International (Std. in Western Europe)
R-5	36 x 48 in.	Steel industry, Refractories Institute, GSA
R-6	40 x 48 in.	Grocery trade, Defense Dept., GSA, British
R-7	48 x 60 in.	Defense Dept., ships
R-8	48 x 72 in.	Defense Dept., ships

Square

S-1	36 in.	Warehouses, forest products
S-2	42 in.	Trucks, chemicals
S-3	48 in.	Rail, warehouses, chemicals, GSA

Industry's Interest in Standardized Pallets Is Still Lagging, Users Say

New York—Although potential savings could "run into the millions", pallet makers report that U. S. industry has shown little interest in standardizing on the recently issued ASA pallet specifications (see PW, Oct. 26, '59, p. 6).

PURCHASING WEEK checked major pallet producers on reception of the standard, which recommended industry-wide adoption of 11 sizes. General consensus was that industry will not realize any large savings until it makes up its mind to work towards standardization.

Although pallet makers see little hope for any price reduction on the pallets, observers see potential savings in:

- **Reduced return costs**—manufacturers would use the same pallets for shipping finished goods and receiving raw materials, save charges for returning empty pallets.

- **Lower unit shipping costs**—new pallets make more efficient use of carrier space, reduce cost.

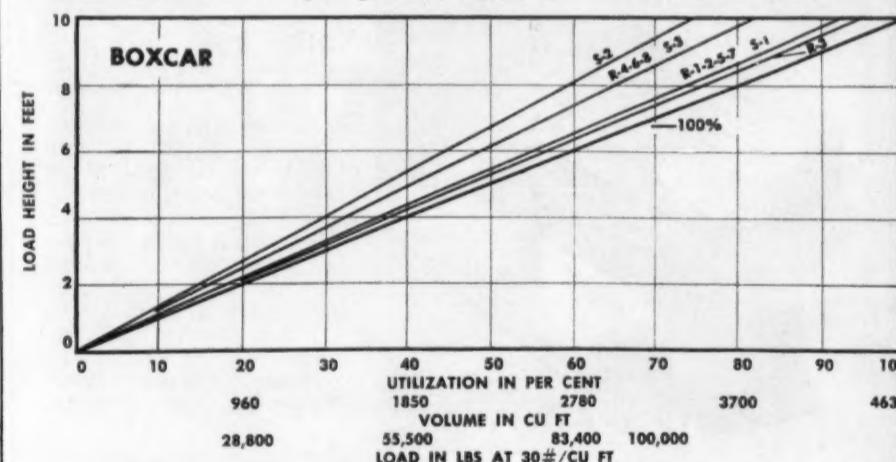
The National Wooden Pallet Mfgs. Assn. says that American manufacturers should follow the example of Western Europe, which recently established an International Pallet Pool. The European Council of Ministers trade pool permits

only one size (32 x 48 in.). Preferential rate treatment for all goods shipped on the standard size are now under study. This size pallet is among those listed by the ASA—designated R-4.

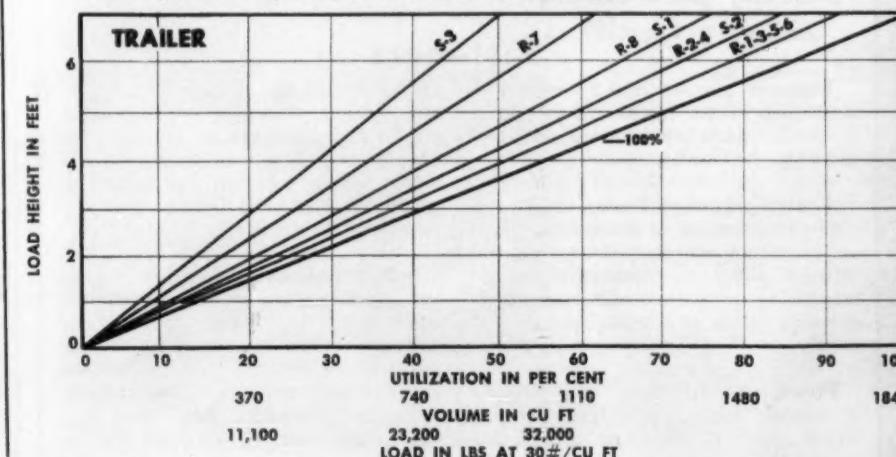
Prices on pallets aren't likely to go down as more companies switch to the standard sizes, because of the "made-to-order" nature of the business. Most pallet manufacturers are local, and find it hard to produce in quantity. In addition, many pallets require special construction because of the nature of the product, and makers need varying sizes in order to cut wood most economically.

The standard size pallets cut shipping rates in boxcar and truck lots because they let the shipper put more material into the same space. Loading patterns of the 11 sizes permit using as much as 95% of boxcar space. Since shippers pay a flat rate on full loads, the greater the amount of material, the lower the unit shipping cost.

The chart below shows the percentage of space used by each of the 11 sizes in terms of the height of the load in boxcars and trailers. Pallets R-1, 2, 5, 7 and S-1 work equally well with all load heights, but R-3 is the most efficient.



AREAGRAMS show how percent of space used in boxcar (50 ft, 6 in. x 9 ft 2 in.) and trailer (35 ft x 7 ft, 6 in.) varies with different size pallets.



This Week's

Foreign Perspective

JANUARY 18-24

London—Chief impact of the stateside steel settlement has been felt in tin. Sharp price rise is attributed to the fact that the U.S. is the largest consumer in the world of that metal. With the steel strike finished, Londoners anticipate continued moves by U.S. consumers to replenish reserve stocks of tin.

Dealers believe immediate future position will remain firm—at least until increased supplies of the metal (resulting from Tin Council decision to hike export quotas) start coming through the pipeline.

Looking even further ahead—some say that when the Tin Council decides on its members' export quotas for the second quarter of 1960, further easing may be in the offing.

Lead and zinc prices also perked up here on the strike settlement. But there's no firm trend yet. The market is marking time till the whole world position is reviewed at forthcoming UN talks in Geneva on January 27.

• • •

Tokyo—Japanese electronics industry is almost bursting its britches.

According to latest figures of the Electronics Industry Association, production in October passed what had been forecast earlier in the year as total annual output. Total production through September totaled \$700 million with \$90 million going into export.

Domestic demand and seemingly insatiable American market for small transistor radios and transistors has produced shortages.

TV producers reportedly were unable to meet domestic year-end buying demand because of picture tube bottleneck. And all major producers report problems getting skilled labor.

Some industrialists here fear these shortages will mean higher prices. It's causing serious industry concern since the Japanese pitch abroad has been based largely on price not quality.

• • •

New Delhi—A sharp expansion of U.S.-India trade seems in the cards.

Major reason for this rosy prediction is the Indian government's decision to remove distinction between "dollar" and "sterling" area imports. This means the end of discrimination against U.S. products.

Imports from dollar areas henceforth will be free of quota or currency restrictions. And licenses issued for soft currency areas will be usable for dollar areas also—except in the case of capital goods.

Three factors lie behind this basic change in policy: The improved position of the sterling area, the economic buoyancy of the Western European economy, and recent International Monetary Fund findings that the dollar is no longer a hard currency.

Another reason may be the response to Undersecretary of State Douglas Dillon's recent appeal to remove all restrictions against goods from the dollar area.

• • •

Bonn—Final 1959 export-import totals confirm what most traders have known for a long time: U.S. is Germany's biggest trading partner.

Thanks to increased exports to U.S. markets, German-U.S. trade is up some 20% over the year. This puts the U.S. trade figures far ahead of Germany's other good customers—Holland, France, England, Sweden, and Switzerland.

Other newly released trade statistics reveal:

• **Major export items**—The big money makers for German suppliers are automotive vehicles, electrical goods, and machinery. These three alone accounted for 25% of total exports.

• **A favorable balance of trade**—For the year just ended, statistics show \$9.8



Plain facts about washroom towel costs!

We have been making top quality washroom paper towels since 1925. But we know that high quality by itself will not produce the most efficient towel service.

So we combine our quality towels with the controlled Turn-Towl cabinet—to produce the perfect washroom towel combination.

MOSINEE
Sulphate Towels

BAY WEST PAPER CO.
1096 West Mason Street
GREEN BAY • WISCONSIN
A Subsidiary of Mosinee Paper Mills Co.

Result:
Excellent towels at a low service cost—with towel consumption dropping as much as 50%.

billion in exports, more than offsetting \$8.3 billion in imports into West Germany.

• **A growing volume of foreign trade**—The \$18 billion (imports and exports) for 1959 topped year-ago levels by a sharp 11%.

British Do Business with Red Chinese—\$22.4 Million Worth

London—Red China has contracted to buy \$22.4 million worth of copper wire rods from a group of five British cable firms.

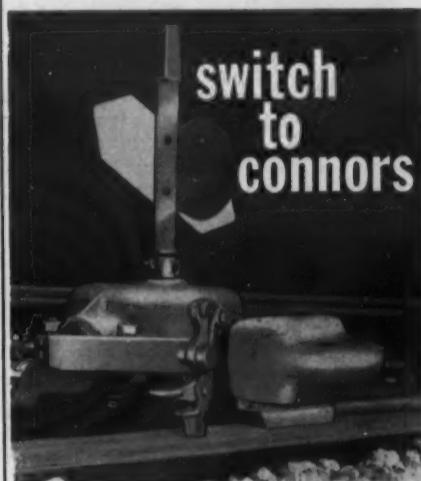
Reportedly one of the largest orders ever placed by the Chinese in this country, the contract, negotiated last summer, is believed to offer equal shares to each of the five U.K. firms.

The companies involved here are British Insulated Callender's Cables Ltd., Enfield Rolling Mills Ltd., Richard Johnson & Nephew Ltd., Pirelli-General Cable Works Ltd., and Frederick Smith & Co. Ltd.

Scheduled for delivery at the end of this year, the copper rods are reportedly destined for China's current electrification program.

tion or by single strips. Here's how it works:

A motor on top of the channel-shaped machine drives a flywheel equipped with shear pins to guard against overload. The flywheel in turn spins the gears to raise and lower a four-blade cutter that moves both vertically and horizontally so that shearing and cutting are performed simultaneously.



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CONNORS STEEL DIVISION
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Cutting Tool Shears Plate In Single Cut, Hungarians Claim

Vienna—The Hungarian Chamber of Commerce is pushing a new plate shear which, it claims, is "indispensable" in shipyards, boiler shops, and bridge construction.

The motor-driven cutting tool reportedly will shear off a plate 80 ft. long and up to 7 in. thick in a continuous opera-



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Transistor Makers Ready Big Push into Static Control Field

New York—Having made a big dent in an area once occupied exclusively by the vacuum tube, transistor makers now are preparing an all-out push in still another field—electrical switching.

Electro-mechanical relay has enjoyed a virtual monopoly in the industrial switching field, in spite of the transistor's recognized advantage of operating without moving parts.

Magnetic switching amplifiers first appeared several years ago, but their high cost restricted their use to specialized applications. Proponents of transistorized circuitry now say that new units will overcome cost limitations.

Square D Co., long cool to the static switching concept, is readying a big promotion campaign for its new line of transistorized static controls. General Electric's Industrial Control Dept. also is pushing transistorized switching elements, now sees a "virtually unlimited market" for them.

Sees Quick Acceptance

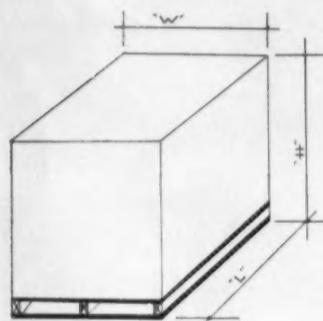
GE is predicting quick acceptance for its newly developed Directo-Matic Systems (transistorized static control). Erie Resistor is already making several types, and three other big names in the control business—Allen Bradley, Allis-Chalmers, and Cutler Hammer—are known to be looking the field over.

Control makers are predicting all kinds of applications for the device, including hot and cold strip mill controls, programming and annunciator systems, automatic processing lines in paper, cement, and mining and chemical operations, and missile checkout and inspection systems. One specialist claims that most machine tool builders will be showing static control devices next year.

Say It Right For Fast Delivery of Storage Racks, Industry Told

Chicago—Sturdi-Built Div., Union Asbestos & Rubber Co. has asked industry to standardize nomenclature on ordering storage racks, to get faster delivery.

To cut costly paperwork and avoid misunderstandings, Sturdi-Built recommends industry use this basic LWH notation:



L—length, measured from one end of pallet stringers to the other.

W—width, measured across the front of the pallet.

H—height of loaded pallet, from the bottom of the pallet itself to the top of the load.

Other information the supplier must have: make and type of fork truck customer is using, plus height of lift; type of merchandise to be handled; and method of turnover. With this data, according to Sturdi-Built, the supplier is able to design an installation that makes the best use of space and lends itself to inventory turnover problems.



G M's CORVAIR COUPE is now moving into dealer's showrooms. Wheelbase, length, height and engine remain same as sedan but models are priced \$50 less. Suggested list for "500" series is \$1,810.

New Du Pont Fluid Makes Surface Repel Dust, Dirt

Wilmington, Del.—Du Pont is said to have developed a water-like fluid that makes a paint surface so smooth that dust and dirt won't cling to it. The "Soil Retardant Concentrate" is designed to cut cleaning costs. It can be sprayed, brushed, roller-coated, mopped, or wiped on.

The fluid dries into a hard, transparent coating within 15 minutes. Costs run about $\frac{1}{4}$ ¢ a sq. ft. and successful tests have been made on storage tanks, equipment, buildings, tunnels, corridors, walls, and signs.



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... says Mr. R. F. Altmaier, Purchasing Agent of the Comptometer Corporation, shown with the new Comptometer Coronet portable dictating machine. "The reputation of our products, and of our company, depends to a considerable extent on the components we use. When I choose a supplier, I buy from firms that I know have earned themselves a name for progressive engineering, thorough testing, on-time delivery and sound business practices. We've been dealing with Mallory for better than ten years."



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- Special Metals
- Electronic Assemblies
- Welding Materials

Lumber Firm Broadens Name

Phoenix, Ariz.—A fast-moving expansion program at Southwest Lumber Mills, Inc. has brought about a name change.

The company is now known as Southwest Forest Industries, Inc. J. B. Edens, president of the firm, said the new name more accurately describes the type of operations carried on by the Arizona corporation, which in the past few months has:

1. Purchased the Dolan-Burrus Box Co., Phoenix manufacturers of wood and paper boxes for the industrial market.

2. Started construction on a 101,000 sq. ft. plant in Glendale, Ariz. to produce both corrugated board and finished corrugated-board containers, which is expected to be in operation shortly.

3. Effected a consolidation with three Los Angeles paper

products companies—Wilson Paper Co., Vernon Container Corp., and Pioneer Wrapping Co.

4. Announced plans for construction of a \$40 million pulp and paper mill in the Snowflake area of Northern Arizona.

Waltham Precision Buys Electric Motor Division

Waltham, Mass.—The Waltham Precision Instrument Co. has purchased the Electric Motor Div. of Advanced Products Co., North Haven, Conn., and is moving it to Waltham.

Included in the transaction are several new motor designs in pre-production and final development stages. These will add a complementary product line of subminiature synchronous motors to Waltham's line of components.



STEEL STRAPS are fastened about a polyethylene-wrapped bundle of aluminum pig and ingot at Kaiser.

For Metals—A New Plastic Bag

Chalmette, La.—Plastic packaging materials have invaded still another market. Kaiser Aluminum and Chemical Corp. has come out with a plastic wrap for its aluminum pig and ingot.

Designed to keep the metal free of dirt and moisture, the new package consists of a polyethylene bag encasement for pig and ingot bundles.

The bags will be placed over the bundles at Kaiser reduction plants, a company spokesman said, and then secured with 1 1/4 in. steel straps. The bundle then can be stored out of doors, "eliminating the need for expensive inside storage space."

Allows Air Circulation

"The package has been designed to allow air to circulate," the spokesman added, "thus preventing condensation from forming within the wrap during shipment of the metal or while it is being stored."

Kaiser executives said tests have demonstrated "that the plastic wrap withstands all normal transportation hazards, assuring delivery of metal to customers clean and ready to use."

New Fluid Protects Radiators From Freezing and Overheating

Midland, Mich.—A new anti-freeze that doesn't have to be drained in hot weather has been announced by Dow Chemical Co.

The fluid, trademarked "Dowgard," can be used in all climates, and has built-in rust and corrosion protection, Dow says.

Dowgard also protects the radiator from overheating at temperatures up to +240 F. Once the cooling system is serviced and closed, Dow advises, it shouldn't be opened for a year—unless leaks occur.

Dow said installation of the fluid will be available only through service stations—and only after a thorough flush-out and check-up of the cooling system. A special blue cover is provided for the radiator cap to prevent dilution of the coolant. The

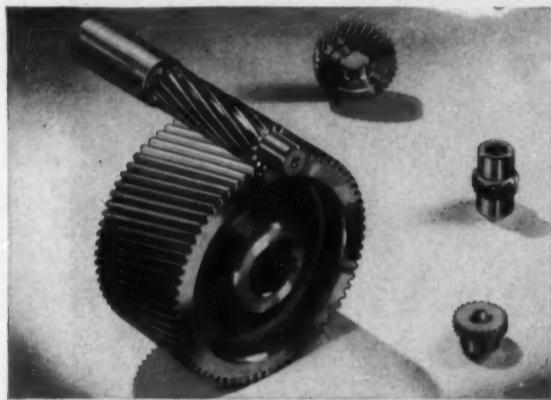
cover also carries the date the fluid should be replaced.

Suggested prices for a fill of Dowgard range from \$8 to \$12 for large wheelbase cars—slightly less for smaller cars.

The product is a scientifically-formulated blend of diethylene glycol, ethylene glycol, rust inhibitors and purified water.

Waltham Instrument Co. Now Will Sell Small Tools

Waltham, Mass.—The Waltham Precision Instrument Co. has established a small tools division to market a complete line of micro-miniature cutting tools. This is the first time these tools, formerly made by Waltham for its own use, will be offered to industry.



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New Books

Source Book of the New Plastics—by Herbert R. Simonds. Published by Reinhold Publishing Corp., 430 Park Avenue, New York 22, N. Y. Volume 1, 362 pages. Price: \$10.00.

This book pools the resources of 60 plastics producing companies that contributed articles describing their own materials. It presents a thorough description of the new plastics—their prices, properties, production, applications, and selection.

This book offers an approach to plastics that concerns itself almost exclusively with latest developments, giving significant recent improvements in established plastics and the 100 most important patents issued in the plastics field for 1958.

It is divided into three main chapters—improvements in established materials, producers' new materials, and federal-sponsored research. Whatever your plastics question, need or interest, this book should give you specific, accurate and practical answers.

From the Associations

Metal Castings Buyers Guide

Deals exclusively with the purchasing needs of America's metal castings producers. Directory classifies all major sources of supply for the nearly \$2½ billion spent annually by the industry for materials, equipment, supplies, etc. Lists over 1,000 products available from over 1,600 major supplier firms and their regional sales representatives, dealers, jobbers and agents.

Guide features a section describing activities of the 12 major associations serving the castings industry as members of the National Castings Council. The price of the guide (more than 300 pages long) is \$10 and it can be obtained from *American Foundrymen's Society, Gulf and Wolf Roads, Des Plaines, Ill.*

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From the Manufacturers

Wire Wound Resistors

Brochure GR-30. Gives specifications on three of the new "Bobbinless" resistors. Resistors are available in power ratings up to $1\frac{1}{2}$ w. with tolerances as low as 0.05% and temperature coefficient of resistance as low as 2 Ppm/°C. *General Transistor Corp., 91-27 138th Place, Jamaica 35, N. Y.*

Cog Belt Drives

Information on line of cog belt drives, which help eliminate slip-page, metal-to-metal contact, stretch and lubrication. Contains design and installation suggestions, engineering data, and specification tables including nominal center distance and driven speeds.

Catalog GB-201-A (56 pages). *Browning Mfg. Co., Maysville, Ky.*

Inclinable Presses

Describes Niagara's Series AF inclinable presses which feature instant engaging, low inertia friction clutch and brake. Includes

specifications, die space dimensions, standard and optional features data. Bulletin 55 (24 pages). *Niagara Machine & Tool Works, Buffalo 11, N. Y.*

Ballast Reference Guide

Gives company's catalog number equivalents for ballasts of other manufacture. Contains a ballast rating table, and information on mounting dimensions, individual cartons, code dating, etc. *Universal Mfg. Corp., Dept. GEB, 29-51 E. Sixth St., Paterson, N. J.*

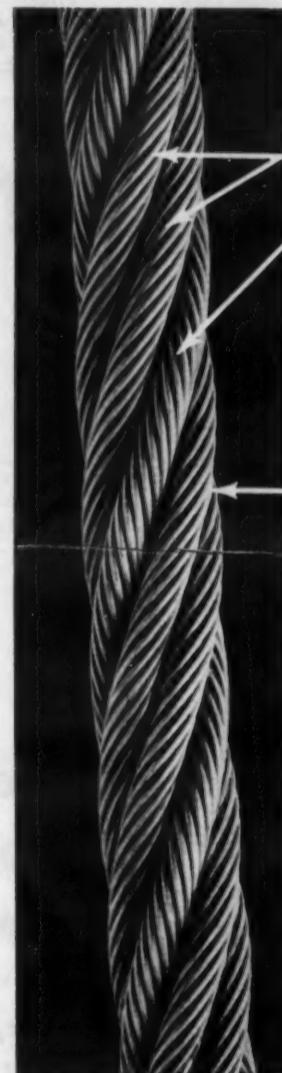
Laminated Plastics

Aids engineers in selecting and applying laminated plastics and

vulcanized fiber. Data given includes corresponding NEMA grades, military specification, physical and electrical properties, most common grades, etc. (8 pages). *Taylor Fibre Co., Norristown, Pa.*

Electronic Components

Engineering catalog describes locking clips and assemblies, component holders, vertical and oval tube holders, crystal clips, hard mounts for miniature tubes, nylon screws, and others. Includes complete listing of company's sales representatives and distributors, specifications, etc. *Atlas E-E Corp., 47 Prospect St., Woburn, Mass.*



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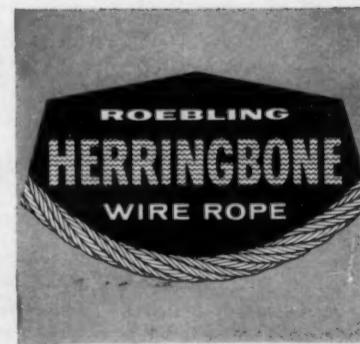
This is a direct field quote on the most remarkable development in wire rope in years...a new concept in wire rope design. Roebling Herringbone is the regular lay and Lang lay wire rope—two-ropes-in-one rope—combining the best features of both.

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Late News in Brief

Steel Strikes Back

New York—Steel is hitting back at plastics and aluminum with a campaign aimed at promoting greater use of steel.

As part of its campaign, the American Iron and Steel Institute last week unveiled a new symbol, called the Steelmark, which will soon appear on millions of consumer products made from domestic steel.

Ask "Equal Treatment"

Washington—Lead and zinc product manufacturers asked the government's Tariff Commission last week for the same protection against imports now accorded to lead and zinc metals and ores.

While no mention was made of specific actions expected of the government, William P. Wilke, speaking for 11 lead product companies, told the Commission his group seeks "equal treatment" with respect to unmanufactured lead.

Terminal Protests to ICC

Chicago—Two Wisconsin waterfront terminal operators filed a protest with the ICC last week against proposed cancellation of certain cargo transfer rules along the St. Lawrence Seaway.

The protest followed efforts by three Western railroads to abandon the traditional practice of absorbing portions of dock transfer costs on export-import cargo at Seaway and Great Lakes ports.

More Muscle for Corvair

Detroit—Chevrolet came out with an optional "added performance" engine, four-speed transmission, and heavy-duty chassis package for Corvair cars last week.

The company said that in addition to larger tailpipes and mufflers, it had added a special camshaft for greater valve lift and open operation to its "flat" 6-cyl., 80-hp engine. The new engine is rated at 95 hp.

Du Pont Cuts Prices

Wilmington, Del.—Du Pont chopped 5% off domestic prices of tetraethyl lead anti-knock compounds last week.

The motor mix is now available at .3508¢/lb, while the aviation mix will sell at .3869¢/lb. Company officials attributed the cut to "improved operating efficiency."

This Week's

Purchasing Perspective

JAN. 18-24

(Continued from page 1)

to get back to our former price level and we think we can." As Greenshields sees it, "the price trend undoubtedly is up for almost all manufacturing, reflecting higher labor costs. But the rise in most goods probably will be very modest over the next few months."

• **E. W. Meyers, Jr., president of Trion, Inc.**, (electrostatic air cleaning equipment), believes "we'll probably have a period of more or less stable prices until after the election. I don't think we'll see a clear-cut trend in most fields, and I don't look for many public announcements of higher prices. But there will be a slow advance just the same through such devices as the introduction of new models at higher prices. In our own business, we'll do everything we can to recover higher costs and also try to anticipate higher steel prices later on."

• **A. M. Cox, president of J. P. Devine Mfg. Co. and Pittsburgh Commercial Heat Treating Co.**, holds that "even though steel prices are holding unchanged, we're starting to notice a few increases now in other things we buy. Labor rates are up from 7¢ to 10¢/hr, and prices will start to reflect that within the next 60 days or so. By June or thereabouts, I look for a pattern of higher prices established in a 2% to 4% range."

• **PAYOUT—Auto industry snapback into almost immediate record production schedules is in part a payoff on the practice of specifying parts suppliers' "tooling volume" that permits considerable leeway over actual purchases.** Last month, when every auto company had purchasing staffers on the road visiting parts suppliers, only a few contractors had to request that their load be lightened.

• **PERSONAL—Smokers someday may ask for cheddar or Swiss when buying cigarettes.** Two Wisconsin men have developed a cheese and charcoal filter they claim surpasses filters now in use by major tobacco companies. A Swiss-charcoal combination in a 2-to-1 ratio seems to perform best in removing tobacco tars and oils.

Congress Now Focuses on Procurement Probing

(Continued from page 1) in an investigation of drug prices, the only major price investigation this year. If his investigation continues such a hot issue, however, there is a chance Kefauver may not get around to the procurement project this session.

Sen. Douglas, who headed up the Joint Economic Committee's big inflation and growth study last session, is taking a look starting the end of this month at federal procurement and disposal policies. He will look into such things as: management of the \$8.1 billion federal stockpile of strategic materials; federal competition with private business in the air and sea transport field; competitive versus negotiated defense contracting, and disposal programs that each month put more than \$1 billion of surplus government property into commercial channels.

Both Houses Investigate

Both the Senate and House Armed Services Committee have tentative plans for separate investigations into Pentagon procurement programs with an eye to improving their efficiency. In addition, the Senate group will be considering various legislative proposals asking either for more or less negotiated bidding.

Finally, Rep. Edward F. Hebert (D., La.) will continue to take a look this year at the employment of retired high level military officers.

Reuss however plans to push again for his price bill this year, which at present is penned up in the rules committee. The measure would require major corporations to give notice in advance to the government of any proposed price increases.

"A number of other congressmen and I think that the problem of inflation is not one to be shrugged off," he says. "We think that now is no time to relax but that we should carry on the fight in good times and bad."

But given the present temper of Congress not to tamper with the basic economy, there is practically no chance for passage of Reuss' bill this year unless the steel settlement should start a new stampede to higher prices.

Sen. Kefauver has tentatively planned to open an investigation into identical bidding by private companies for government contracts. Kefauver is especially interested in the contracting procedures of the Pentagon and the

General Services Administration. Kefauver believes that there is a great deal of identical bidding by competing companies submitted for various contracts and he wants to find out if this is an indication of collusion between the firms.

What's going on in other areas of legislation:

Labor—A truce is in effect this election year on Taft-Hartley changes. AFL-CIO President George Meany has passed the word that there is to be no attempt to seek changes in the law. On the other hand, Meany anticipates no real moves in Congress to toughen up the basic labor law.

Meany instead is pushing for social legislation such as aid to the aged, school construction, and higher unemployment compensation. There appears little chance for passage of any of these proposals. However, there is a good chance that Congress will go along with labor by hiking the minimum wage and blanketing in more people.

Prices—None of the major price legislation proposals are rated to pass this session. Efforts will be made to get a fair trade bill through, but chances are heavily weighted against it. S. 11, which would limit a seller's right to cut his price to meet competition, also appears headed for scrap heap, as does a measure that would require sellers to give higher discounts to wholesalers than to retail chain stores.

Anti-trust—This is another perennial but it can't be completely counted out this year. Various proposals would have firms planning to merge to notify the government in advance.

Another measure that is given a 50-50 chance of passage is one that would grant the government subpoena powers to secure a company's records in determining antitrust violations. One big obstacle in the way is the opposition of some Southern state's righters who see in it a possible parallel to granting the government investigative powers in civil rights cases.

'We Feel We Have Sufficient Proof,' Official Says of Price-Fix Probe

(Continued from page 1) Federal District Court here which impaneled it last July. "We feel we have sufficient proof for the indictments," the source added.

The grand jury to date has heard 79 witnesses from all over the country. They are associated with 35 of the biggest electrical equipment makers in the U.S.

That jury, which reconvened recently following an extensive Christmas season recess, is now reportedly scrutinizing the final product group that will be presented.

Possible Individual Liability

Ralph J. Cordiner, board chairman of the General Electric Co., raised the possibility himself two weeks ago that some GE officials involved "may be fundamentally or individually liable under criminal indictments which may be returned by the grand jury" (PW, Jan. 11, '60, P. 1).

He discussed this possibility at the company's annual management conference in Hot Springs, Va. At that time, he disclosed that firm disciplinary action had been taken by the company against some executives who had

discussed prices with competitors.

PURCHASING WEEK has learned that top industry figures, testifying at the antitrust hearings here, are answering all questions and cooperating fully. As proof of this, a Justice Department official pointed to the fact that it has not been necessary to haul any witnesses before a federal court and threaten them with contempt for failure to answer questions.

When asked what firms and what executives have testified thus far, William Maher, who heads the antitrust probe, replied with another question: "Names of witnesses and firms? Every letter of the alphabet from A to Z."

The price-fixing investigation got off to a roaring start following disclosures by the Tennessee Valley Authority that some American manufacturers, primarily in the electrical equipment field, had regularly submitted identical bids on the agency's purchases of equipment and materials.

Maher said the probe covers firms engaged in the manufacture and sale of electrical equipment used in the generating, transmission, and distribution of electricity.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Steel Scrap, #1 heavy melting, ton.	\$1.00	\$43.00	strike end
#2 heavy melting, ton.	\$1.00	\$37.00	strike end
#2 bundles, ton.	\$1.00	\$32.00	strike end
Fuel Oil, #2, Gulf Coast, cargo rates, gal.	.0025	.08625	seasonal
Cotton Yarn, carded and combed, lb.	.01	...	high demand
Zinc Dust, carlots, lb.	.005	.17	metal boost
Aluminum Pigments, paste, lining, extra fine, drms., lb.	.015	.71	metal boost
Stearic Acid, double pressed, bags, lb.	.005	.1575	...
Crude Oil, Penn. grade, bbl.	.15	...	high demand
REDUCTIONS			
Mercury, 76-lb flask.	\$1.00	\$211.00	...
Hosiery Yarn, 15-den., Enka & Chemstrand, lb.	\$1.36	\$3.89	competition
Acrylonitrile, carloads, lb.	.0349	.26	oversupply
Crude Oil, Texas, sun tide, bbl.	.10	...	competition
Silicon controlled rectifiers, GE.	20%-40%	...	broaden market

The Aluminum Price Pattern

The table below shows three things: 1. prices of selected aluminum products before the mid-December price changes, 2. prices of same products after the change, and 3. what the change means in cents per lb.

PRICES THAT ROSE 1.3¢

PRODUCT	BEFORE	AFTER	CHANGE
	lb.	lb.	lb.
Pig, 99½%	24.7¢	26¢	1.3¢
Ingot, 99½%	26.8	28.1	1.3
PRICES THAT ROSE MORE THAN 1.3¢			
Sheet, coiled, stock bare	29.7	31.5	1.8
½" thick, F temper alclad	30.2	32.0	1.8
#1100, 1145, 3003, 5005	30.6	32.4	1.8
#5052	33.3	35.1	1.8
Sheet, coiled for fin stock			
#1100, 3003, 5005 alloys	40.1	42.1	2.0
Sheet, aloy 3004, ½" thick	45.7	47.9	2.2
#5086, 5154	52.7	55.2	2.5
0.03" thick	59.7	62.5	2.8
Sheet, #1100 etc, mill finish			
one side bright, flat, .082"	47.5	51.8	4.3
coiled	40.6	43.0	2.4
Sheet, coiled, #1100 etc			
½" thick	39.2	41.2	2.0
.02" thick	42.4	44.6	2.2
Sheet, bldg. product, flat, .024"	37.5	39.3	1.8
coiled, 0.019"	36.5	38.3	1.8
Sheet, 2S & 3S, flat, mill finish			
0.125"	43.2	45.5	2.3
0.015"	49.6	52.3	2.7
Plate, alclad and bare #2024-O			
½" thick	46.9	49.2	2.3
Structurals, #6061-T6			
¾ ¾ ½"	53.1	55.6	2.5
Extrusions			
#60, T4 & Tf, solid	42.2	44.1	1.9
#6063, T4 & Tf, solid	42.2	44.1	1.9
solid	48.9	51.1	2.2
Extruded Solid Rod and Bar, T4 & T42 weight per foot, lb 0.1-0.15	43.7	45.7	2.0
semi-hollow	49.7	51.7	2.0
hollow, class 2	59.2	61.2	2.0
Tube, extruded, 0.5" thick, weight per foot 0.1 lb, T4 & T42	67.7	69.8	2.1
Cable and Wire, ACSR (Aluminum Conductor, Steel Reinforced) (one of many grades)	30.05	31.42	1.37*
Bare aluminum conductor	34.7	36.7	2.0
Cable, polyethylene triplex	\$178.25	\$183.50	\$5.25*

* The price increase for the aluminum content of these was 2¢ a lb.

PRICES THAT ARE UNCHANGED

Ingot, #355	28.7	28.7	none
HP 355	30.1	30.1	none
356	28.6	28.6	none
HP 356	30.0	30.0	none

PRICES THAT ROSE LESS THAN 1.3¢

Sheet, coiled, for fin stock alloys			
#1100, 3003, 5005			
0.011-0.0095	45.4	46.1	0.7
0.007-0.006	51.0	51.7	0.7
Billet (extruded ingot)			
#6063	29.1	29.9	0.8

PRICES THAT FELL

#6463	33.3	34.1	0.7
Bus conductor, bar, extruded			
¼" x 4"	49.6	48.7	-0.9

Other bus conductor down varying amounts—from 1¢ to 2.9¢

PRODUCTS DROPPED OR DISPLACED BY OTHERS

Sheet, utility, coiled and flattened. (this has been a major volume item)

NEW PRICES AVAILABLE BUT UNCERTAIN

Metals Face This Dilemma: Boost Their Prices, but Hold Markets

(Continued from page 1) price picture immediately ahead is not yet in focus, industry sources agree producers will be pressured into going slow on big boosts this year for two important reasons—competition from abroad and competition from substitute materials. Many predict selective hikes patterned somewhat after the aluminum.

• **COPPER:** The steel settlement has bolstered the demand for copper, but this demand is also supported by the tight supply situation resulting from labor troubles. Prices are expected to keep rising during the next few months or at least until the major U. S. producers get back into full production. What happens after that is anybody's guess.

• **FABRICATED PRODUCTS:** Generally speaking, metal product makers are divided on pricing policy. One group says it will hold the present price line, and either absorb or pass on only part of upcoming increases. Another says it expects to get higher prices as quickly as possible in anticipation of metal boosts.

Current aluminum pricing policy provides the best clue, perhaps, to future price trends. Here is the way producers are figuring their markets right now:

May Be Cut to Fit

Since aluminum products are priced to maintain present markets, the price of an aluminum item may be cut if a competing product, such as copper or plastic, is threatening to make inroads. There are some aluminum products on which producers are probably taking losses, with the thought that once a firm footing is achieved and customers are aware of the advantages of this metal, they can then raise the price.

On the other hand, aluminum producers feel that if volume can be built up, the average cost might drop to a point where the initial price allows a good profit.

One Man's Poison . . .

Perhaps more important than competing products is competing companies. Some firms have advantages of size, some specialize in certain marketing areas, some have equipment or an organization that permits them to specialize and develop advantages in certain types of products. Aluminum fabricators may be able to make a profit on a particular item at a price its competing companies find is a break-even price or even lower.

The price changes are somewhat deceptive since some items may already include a high markup.

More Pricing Freedom

The big three integrated aluminum firms, and to some extent the smaller four, have more pricing freedom than most producers. The reason: Pig and ingot are the only items on which there is a high profit margin, when mills are operating near full capacity. Profit margins are about 33%—costs are in the neighborhood

of 16¢ per lb. With this margin, a substantial loss can be taken on other items.

Many imported aluminum products have been selling in the United States at well under domestic prices. Imports more than doubled last year compared with 1958 and the price advantage on imports is almost certain to increase.

Although U. S. firms are increasing their investments in large European firms that market aluminum or aluminum products in this country, there still are many independents who are out to build up their markets here.

Some of the primary pig producers in Europe have not raised their prices at all. European fabricators of this aluminum, as well as integrated European firms, will find U. S. markets even more inviting than before. Domestic aluminum producers, however, are attempting to offset this "price invitation" through a seesaw system of pricing.

Another major factor affecting current pricing policy is the payment producers make for customers' scrap. Following the recent road of price advances, scrap buying prices also rose.

For some items, therefore, this probably meant there was no price increase at all. The posted prices for some of the higher-volume billets, for example, rose by 0.8¢. But the payment to customers for scrap apparently went up about the same amount—offsetting the increase.

Soundly Based

While the pricing system used by aluminum producers appears to be rather confused on the surface, it nevertheless is soundly based considering the present outlook. Industry sources feel that metals pricing, in general, will be following a similar pattern as many pressure factors—such as imports and substitutes—develop strength in the next few months ahead.

Pallet, Van, Cargo Containers Seem To Be Edging Toward Standardization

New York—Industry-wide efforts to develop standards for pallet, van, and cargo containers appear to be near success.

A spokesman for the American Standards Association told PURCHASING WEEK last week that its MH-5 container standards committee has already reached unanimous agreement on a modular series for van containers—the all-important product in containerization.

An official letter ballot has gone out to all concerned with the project and final results should be known in a few weeks. The spokesman indicated that chances for acceptance of the proposed van containers sizes "appear excellent."

Quick Standardization Expected

"This is expected to spark quick standardization of pallet and cargo containers as well," the ASA official added, "as the sizes of these containers depend a great deal on the standards arrived at for van containers."

The basic van sizes adopted by the committee consist of 10, 20, 30, and 40-ft nominal lengths, with an 8x8-ft cross section. A special regional standard was also proposed for Western States that would involve a 26½-ft container, and a half-size of 13½-ft. The larger size would be accommodated on a 27-ft chassis now permitted in the Western double rig.

The committee also approved many construction details for the van size containers, among them, requirements for top lifting and cornerpost loading. To provide for interchangeability, all standard van containers will be required to have rings for lift-on, lift-off operations, regardless of other loading and unloading devices the manufacturer has developed.

During the long hassle over container standardization, which the committee first embarked upon in August 1958, truckers

had raised the question that containers sturdy enough to meet the loading and lifting criteria set down might be too heavy to be feasible for over-the-road hauling.

But Keith Tantlinger, chief engineer of Fruehauf Trailer Co. and a member of the task force that worked out the proposed design standards, insisted this wasn't so. Tantlinger said a 40-ft container made to the proposed standards would be only about 150 lb heavier than a 40-ft container designed solely for over-the-road use.

Another topic that resulted in heated discussion was fork-truck handling of containers. The major controversy was whether fork-pockets should be optional or mandatory on containers. The final recommendation of the full committee was for optional pockets.

Industry in general agrees that the container standardization project is one of the most far-reaching ever undertaken in the transportation field. It is expected to result in a system of standard container interchange among domestic rail, truck, air, and water carriers.

The rapid trend to containerization was further spotlighted last week by Grace Line's disclosure that its all-container, lift-on lift-off ship—the first of its type in U. S. foreign trade—is now ready for service.

The vessel, Santa Eliana, will leave Port Newark, N.J., Jan. 29, to inaugurate the steamship line's new Seatainer Service between New York and La Guaira, Puerto Cabello, and Maracaibo, Venezuela.

Conversion of another Grace Line vessel, the Santa Leonor, to an all-container ship is now being completed. The company says that the vessels will bring to ocean transportation a major innovation in the concept of cargo handling.

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